

**NORTH OGDEN CITY
AUDIT COMMITTEE
MEETING MINUTES**

January 9, 2025

The North Ogden City Audit Committee convened at 6:00 p.m. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on January 2, 2025. Notice of the annual meeting schedule was published in the Standard-Examiner on December 11, 2024.

**Note: The time stamps indicated in blue correspond with the recording of this meeting,
which can be located on YouTube:**

<https://www.youtube.com/channel/UCriqbePBxTucXEzRr6felhQ/videos>

or by requesting a copy of the audio file from the office of the North Ogden City Recorder.

Committee:

Ryan Barker	Committee Chairman
S. Neal Berube	Committee Member
Blake Cevering	Committee Member
Thayne Shafer	Committee Member (excused)
Randy Winn	Committee Member
Rian Santoro	Committee Member

Staff:

Jon Call	City Manager/Attorney
Jami Jones	Finance Director
Casey Hunsaker	Treasurer

Visitors:

Chris Pulver (Zoom)	
Ben Bailey	Consultant with Keddington and Christensen
Ron Stewart (Zoom)	CPA, Gilbert & Stewart

0:00:01 Committee Chairman Barker called the meeting to order, and Committee Member Winn offered the prayer and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. **DISCUSSION AND/OR ACTION TO CONSIDER SEPTEMBER 12, 2024, AUDIT COMMITTEE MEETING MINUTES**

0:02:04 Committee Member Winn motioned to approve the September 12, 2024, Audit Committee Meeting minutes. Committee Member Covering seconded the motion.

The motion passed unanimously.

ACTIVE AGENDA

2. **PUBLIC COMMENTS**

0:02:52 No public comment was made.

3. **DISCUSSION ON THE 2023-2024 FISCAL YEAR AUDIT**

0:03:34 Finance Director, Jami Jones, opened the discussion by thanking Ben Bailey for his assistance during a challenging audit year, citing numerous projects and construction that contributed to delays. She provided an overview of the financial report, starting with fund balances. The General Fund balance decreased by approximately \$2.8 million, largely due to the Public Safety Building project, though the City ended the year strong with a 28% unassigned fund balance. She continued by discussing the statement of activities, highlighting that government functions rely on general revenues such as property and sales taxes, as charges for services do not fully cover expenses. In business-type activities, such as Water and Sewer Funds, the City generally achieves close to breaking even, aided by grants in certain cases.

The City's net position improved overall, with a positive change of \$8.9 million across governmental and business activities. The discussion then transitioned to the compliance portion of the audit, where an over-expenditure in the Aquatic Center Fund was identified as a finding, highlighting the need for better budget management.

City Manager/Attorney Jon Call briefly addressed operational aspects, and Ron, the auditor, outlined the auditing process, emphasizing the clean opinion the City received. He detailed the procedures, such as testing financial controls and compliance with State and Federal requirements, including the Single Audit Act. Despite one finding related to exceeding the Aquatic Center budget, the City was determined to be in compliance overall.

Committee Member Berube raised concerns about Proprietary Fund losses, emphasizing the importance of accounting for depreciation and ongoing adjustments to fees to address shortfalls. He also discussed interest income trends, noting it as a non-recurring benefit due to high interest rates and ARPA funds. Committee Member Berube and Jami reflected on the importance of maintaining budgets within State guidelines to avoid findings while acknowledging the close alignment of actual expenses to the budget. Committee Member Berube acknowledged that sales tax revenues were the primary contributor to higher-than-expected revenues, exceeding budgeted amounts by 5 percent. Jami noted that utility franchise fees also outperformed expectations. Discussions about the \$70,000 Police Department variance revealed that it stemmed primarily from salary and benefits due to partial staffing throughout the year. Jon explained that staffing was on average about three-quarters of an officer short, contributing to the variance.

Committee Member Berube highlighted the City's financial position, referencing the \$4.697 million in the Capital Projects Fund, though not all funds had been fully disbursed for projects like the new Public Safety Building. He stressed the importance of revisiting Transportation Utility Fund issues and complimented Jami and her team for their work in preparing the report.

A review of long-term debt showed favorable interest rates on the City's sales tax revenue bonds, with most investments yielding higher returns than interest payments. Committee Member Berube emphasized regular reporting on bond interest rates and investment returns to ensure transparency. Regarding the Public Safety Building, the City has settled funding, and the building is nearing the end of its warranty period. Minor warranty issues such as door alignment were being addressed, with no significant concerns noted.

See Attachment A: 2023-2024 Fiscal Year Audit Report

4. DISCUSSION ON QUARTERLY FINANCIALS

0:36:54 Finance Director Jami Jones presented the financial updates for the first quarter (July through September). The General Fund is under the 25% target but is expected to stabilize in the second quarter with December's property tax revenues. The Aquatic Center experienced significant spending early in the fiscal year due to its seasonal operations. The Water Fund revenues are at 29%, primarily from interest, while expenditures are at 35%, reflecting costs for the recently completed water tank. The discussion touched on the water tank's construction, including its burial to enhance water quality and structural support. Sewer and Stormwater Funds were reviewed, with the latter showing 33% of revenues due to grant funds obtained for flood-related repairs from spring 2023. The City recouped approximately \$380,000 in Disaster Relief Funds, with \$76,000 benefiting the Stormwater Fund. Solid Waste is on target financially.

A question was raised about the water tank's financing. City Manager/Attorney Jon Call clarified that ARPA funds and reserves covered costs. Interest income from City investments and the Public Treasurers' Investment Fund (PTIF) was discussed, with PTIF showing higher returns. Committee Member Berube requested follow-up with advisors regarding low returns from other investments.

General Fund revenues by department were reviewed, with property taxes expected to impact the second quarter. Building Permits are performing well at 34%. Charges for services and miscellaneous revenues, such as police report fees, were highlighted as areas of good performance. General Fund expenditures showed some outliers, including seasonal spikes and upfront costs for subscriptions, liability insurance, and parks. Animal Control experienced higher expenses due to overtime.

The sales tax revenue is 6% over projections, though it is leveling out. Retail trends, including Black Friday timing, were noted as factors influencing revenue. Discussion on Christmas event costs revealed a City expenditure of less than \$10,000, supported by sponsorships.

Historical financial comparisons showed typical seasonal variances, with significant past fluctuations due to ARPA and CARES funds. The presentation concluded with a review of financial graphs and trends, showing stable performance in various funds.

See Attachment B: First Quarter Slides and Financial Statements

5. PUBLIC COMMENTS

0:53:28 Chris Pulver, a North Ogden resident, raised a question about the City's net pension liability, referencing the \$1.4 million liability and questioning its origins and implications. He observed that many auditors incorporate the Utah Retirement Systems (URS) report without further explanation, leaving the liability's details unclear. Committee Member Berube explained that the net pension liability reflects the amount owed if the pension plan were terminated and all benefits paid out. He noted a significant increase in liability from the previous year and requested Finance Director Jami Jones consult with auditors to determine the components causing the increase.

Jami relayed that the auditors, Ron and Ben, suggested having URS representatives present to the Council to clarify the pension liability details, as the auditors could not speak on behalf of URS. Committee Member Berube added that two primary factors influencing pension liabilities are assumed interest rates and changes in salaries or plan participation.

Chris Pulver expressed ongoing confusion about pension plans, likening them to a company's asset-backed obligations but acknowledging the complexity of government-managed pensions. Committee Member Berube clarified that the pension plan would show an asset only if it were overfunded, which is not currently the case.

6. COMMITTEE MEMBERS/STAFF COMMENTS

0:57:28 City Manager/Attorney Jon Call commended Finance Director Jami Jones and her team, acknowledging their exceptional work. Jon highlighted that Jami effectively manages two roles, referring to her team as a group of four due to her dual responsibilities.

0:57:42 City Recorder Rian Santoro discussed scheduling the next audit committee meeting and the group tentatively agreed on Thursday, April 24, at 6:00 p.m.

0:59:10 Committee Member Berube commended the City Council, City Manager/Attorney Jon Call, and Finance Director Jami Jones for their forward-thinking approach to financial planning.

He noted that the City is generating sufficient funds to cover anticipated needs with a small cushion for unforeseen challenges, reflecting a proactive effort to prepare for the future rather than deferring issues to subsequent administrations.

7. **ADJOURNMENT**

Committee Member Berube motioned to adjourn the meeting. All in attendance voted in favor.

The motion passed unanimously.

The meeting adjourned at 6:58 p.m.

ATTACHMENTS

All Publicly distributed materials associated with this meeting are noted as the following attachments:

- A. 2023-2024 Fiscal Year Audit
- B. First Quarter Slides and Financial Statements


Ryan Barker, Committee Chairman


Rian Santoro
City Recorder/Committee Member





NORTH OGDEN CITY

SETTLED 1851

9/10/25

Date Approved



NORTH OGDEN CITY

— SETTLED 1851 —

Financial Statements

With Auditor's Report

June 30, 2024

NORTH OGDEN CITY
BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2024
Together with Independent Auditor's Report

NORTH OGDEN CITY TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
North Ogden, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024 and the respective changes in financial position and cash flows, where applicable, , thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements.

The budgetary comparison and combining statements, as listed as supplemental information in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

Provo, Utah

December 26, 2024

**NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2024**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of North Ogden City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, and parks and recreation.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of the close of the most recent year. Of this amount, the unrestricted net position in the governmental funds and in the business-type funds may be used to meet the governments ongoing obligations to citizens and creditors.

Total Assets and Deferred Outflows	\$ 153,241,517
Total Liabilities and Deferred Inflows	\$ 18,550,222
Net Position	\$ 134,691,295

Governmental Activities - Unrestricted Net Position	\$ 9,721,734
Business-type Activities - Unrestricted Net Position	\$ 6,599,904

- The government's total net position changed as indicated below.

Increase (Decrease) in Total Net Position	\$ 8,949,735
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- At the close of the current year, the governmental funds reported ending fund balances as noted below. The Unassigned Fund Balance is available for spending at the city's discretion.

Governmental Funds		Percentage
Nonspendable	\$ 156,891	0.86%
Restricted Fund Balance	9,480,842	52.16%
Committed Fund Balance	256,705	1.41%
Assigned Fund Balance	4,717,055	25.95%
Unassigned Fund Balance	3,566,122	19.62%
Total Governmental Funds, Fund Balance	<u>\$ 18,177,615</u>	

- At the end of the current year, unassigned fund balance for the General Fund was as follows:

General Fund Unassigned Fund Balance	\$ 3,566,122
(As a percent of total General Fund Expenditures)	37.59%

- The City's total debt and lease liability changed as indicated below. The decrease was due to payments in the current year exceeding the amount of the new lease agreement entered into.

Increase (Decrease) in total debt and lease liabilities	\$ (411,903)
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NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, deferred inflows and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, streets and road, parks and recreation, and economic development. In addition, the internal service funds are included in the governmental activities. The business-type activities of City are the water, sewer, storm water, and solid waste.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five governmental funds: 1) General Fund, which is always a major fund; 2) RDA/CDA Special Revenue Fund ; 3) Aquatic Center Special Revenue Fund; 4) Debt Service Fund; 5) Capital Projects Fund.

NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement has been provided to demonstrate legal compliance with the adopted budget for the General Fund and major Special Revenue Funds.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

The City maintains four proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise funds to account for its 1) water operations; 2) sewer operations; 3) storm water operations and 4) the solid waste operations. In addition, the City reports the internal service motor pool funds as Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All of these funds are considered major funds of the City.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities at the close of the most recent fiscal year as indicated below.

Total Assets and Deferred Outflows	\$ 153,241,517
Total Liabilities and Deferred Inflows	\$ 18,550,223
Net Position	\$ 134,691,294

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

North Ogden City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 24,990,015	\$ 28,537,075	\$ 11,558,991	\$ 13,167,819	\$ 36,549,006	\$ 41,704,894
Capital assets	63,547,110	55,869,878	51,412,521	48,159,963	114,959,631	104,029,841
Total assets	88,537,125	84,406,953	62,971,512	61,327,782	151,508,637	145,734,735
Deferred outflows of resources	1,495,988	1,065,761	236,892	188,295	1,732,880	1,254,056
Long-term liabilities	9,883,255	10,084,513	153,938	104,513	10,037,193	10,189,026
Other liabilities	3,191,769	3,937,969	1,067,708	3,331,832	4,259,477	7,269,801
Total liabilities	13,075,024	14,022,482	1,221,646	3,436,345	14,296,670	17,458,827
Deferred inflows of resources	3,173,781	2,674,805	1,079,771	1,113,600	4,253,552	3,788,405
Net investment in capital assets	54,581,732	51,276,555	50,333,800	47,048,119	104,915,532	98,324,674
Restricted	9,480,842	12,067,799	3,973,283	3,177,920	13,454,125	15,245,719
Unrestricted	9,721,734	5,431,073	6,599,904	6,740,093	16,321,638	12,171,166
Total net position	\$ 73,784,308	\$ 68,775,427	\$ 60,906,987	\$ 56,966,132	\$ 134,691,295	\$ 125,741,559

Governmental Activities

Governmental activities changed the City's net position as noted below.

Prior year Governmental Activities Net Position	\$ 68,775,427
Current year Governmental Activities Net Position	\$ 73,784,308

Key elements of this change are as follows:

North Ogden City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 1,728,444	\$ 1,651,972	\$ 8,277,790	\$ 7,570,473	\$ 10,006,234	\$ 9,222,445
Operating grants and contributions	1,337,113	1,215,881	-	-	1,337,113	1,215,881
Capital grants and contributions	1,537,096	5,022,347	3,335,400	3,089,602	4,872,496	8,111,949
General Revenues:						
Property taxes	3,866,704	3,647,395	-	-	3,866,704	3,647,395
Sales taxes	5,079,063	4,929,040	-	-	5,079,063	4,929,040
Other taxes	1,309,230	1,256,376	-	-	1,309,230	1,256,376
Other	1,293,104	1,391,035	718,205	599,070	2,011,309	1,990,105
Total revenues	\$ 16,150,754	\$ 19,114,046	\$ 12,331,395	\$ 11,259,145	\$ 28,482,149	\$ 30,373,191

**NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Expenses:						
General government	\$ 1,779,780	\$ 1,384,485	\$ -	\$ -	\$ 1,779,780	\$ 1,384,485
Public safety	5,036,817	4,709,368	-	-	5,036,817	4,709,368
Streets and roads	1,947,874	2,410,935	-	-	1,947,874	2,410,935
Parks and recreation	2,165,395	2,022,174	-	-	2,165,395	2,022,174
Economic development	1,697	383,319	-	-	1,697	383,319
Interest on long-term debt	210,310	196,186	-	-	210,310	196,186
Water	-	-	2,999,274	2,900,541	2,999,274	2,900,541
Sewer	-	-	2,568,252	2,397,030	2,568,252	2,397,030
Storm water	-	-	1,248,665	1,076,913	1,248,665	1,076,913
Solid waste	-	-	1,574,349	1,409,852	1,574,349	1,409,852
Total expenses	11,141,873	11,106,467	8,390,540	7,784,336	19,532,413	18,890,803
Increase (decrease) in net position before transfers	5,008,881	8,007,579	3,940,855	3,474,809	8,949,736	11,482,388
Transfers	-	(1,657)	-	1,657	-	-
Increase (decrease) in net position	5,008,881	8,005,922	3,940,855	3,476,466	8,949,736	11,482,388
Net position - beginning	68,775,427	60,769,505	56,966,132	53,489,666	125,741,559	114,259,171
Net position - ending	<u>\$ 73,784,308</u>	<u>\$ 68,775,427</u>	<u>\$ 60,906,987</u>	<u>\$ 56,966,132</u>	<u>\$ 134,691,295</u>	<u>\$ 125,741,559</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services except for the expenses related to road improvements.

Business-type Activities

Business-type activities changed the City's net position as noted below.

Prior year Business-type Activities Net Position	\$ 56,966,132
Current year Business-type Activities Net Position	\$ 60,906,987

Key elements of the changes are shown above and on the previous page.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the City's governmental funds reported the information at the top of the next page. Unassigned fund balance is available for spending at the City's discretion. The Restricted and Nonspendable Fund Balances are not available for new spending because they have already been restricted or spent as noted below. The Assigned Fund Balances have been assigned as noted in the table at the top of the next page.

NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Governmental Funds, Fund Balances		Percentage
Nonspendable	\$ 156,891	0.86%
Restricted Fund Balance	9,480,842	52.16%
Committed Fund Balance	256,705	1.41%
Assigned Fund Balance	4,717,055	25.95%
Unassigned Fund Balance	<u>3,566,122</u>	19.62%
Total Governmental Funds, Fund Balance	<u>\$ 18,177,615</u>	
 Prior years Total Governmental Funds, Fund Balance	 \$ 22,016,143	
		Percent Change
Increase (Decrease) in Total Gov Funds, Fund Balance	\$ (3,838,528)	-17.44%
 Nonspendable		
Prepaid Expenses	\$ 156,891	
Restricted Fund Balances		
Road improvements	3,577,924	
Impact fees	2,113,054	
Economic development	3,789,864	
Committed Fund Balances		
Aquatic Center	256,705	
Assigned Fund Balances		
Capital projects/debt service	4,717,055	

The General Fund is the chief operating fund. At the end of the current year, Fund Balances are indicated below. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The in-relation percentages below are the percentage of fund balance compared to the total of the General Fund expenditures.

General Fund, Fund Balances		
Nonspendable	\$ 156,891	1.65%
Restricted Fund Balance	192,202	2.03%
Unassigned Fund Balance	<u>3,566,122</u>	37.59%
Total General Fund, Fund Balance	<u>\$ 3,915,215</u>	41.27%

Proprietary Funds

Proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the proprietary funds at the end of the year was shown below. Other factors concerning the finances of these funds has already been addressed in the discussion of business-type activities.

Proprietary Funds, Unrestricted Net Position	\$ 6,677,388
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NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget related to expenditures are noted below:

Increase in public safety expenditures due to an increase for personnel costs for the police department	\$	100,000
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A comparison of final budgeted revenues and expenditures to the actual amounts received and spent is below:

	Final Budget	Actual	Variance
Total Revenues	\$ 10,730,844	\$ 11,341,666	\$ 610,822
Total Expenditures	9,746,251	9,486,054	260,197
Net Increase (Decrease)	\$ 984,593	\$ 1,855,612	\$ 871,019

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2024, is shown at the top of the next page. This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and sidewalks. The total net increase in governmental activities' investment in capital assets for the current year is indicated below. Major capital assets events during the current year included the following:

- Completion of a new public safety building
- Completion of a new restroom at the 2700 N Mountain Road Trailhead
- Completion of a new pickleball court and playground area at Lomon View Park
- Contribution of assets (infrastructure) from completed developments

The City's investment in capital assets for its business-type activities as of June 30, 2024, is shown below. This investment includes water shares, buildings, and improvements other than buildings, such as water and sewer systems.

NORTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

North Ogden City's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets not being depreciated or amortized						
Land and water stock	\$ 11,817,458	\$ 7,420,973	\$ 4,954,969	\$ 1,395,180	\$ 16,772,427	\$ 8,816,153
Construction in progress	587,471	11,469,787	354,208	354,208	941,679	11,823,995
Capital assets being depreciated or amortized						
Buildings	30,429,157	16,916,028	245,425	418,425	30,674,582	17,334,453
Infrastructure	25,173,786	24,747,686	68,061,185	66,849,461	93,234,971	91,597,147
Park improvements	5,239,834	3,902,580	-	-	5,239,834	3,902,580
Machinery and equipment	6,339,945	6,111,743	5,424,445	5,344,152	11,764,390	11,455,895
Leased machinery and equipment	427,855	358,898	-	-	427,855	-
Total	80,015,506	70,927,695	79,040,232	74,361,426	159,055,738	144,930,223
Less accumulated depreciation and amortization	(16,468,396)	(15,057,817)	(27,627,711)	(26,201,463)	(44,096,107)	(41,259,280)
Total capital assets, net	\$ 63,547,110	\$ 55,869,878	\$ 51,412,521	\$ 48,159,963	\$ 114,959,631	\$ 103,670,943

Long-Term Debt

At the end of the current year, the City had total long-term debt outstanding of as noted below.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ 8,680,000	\$ 9,084,000	\$ -	\$ -	\$ 8,680,000	\$ 9,084,000
Lease liability	285,378	293,281	-	-	285,378	293,281
Net pension liability	1,343,508	1,047,459	132,611	104,513	1,476,119	1,151,972
Compensated absences	316,419	439,665	111,685	85,337	428,104	525,002
Total	\$ 10,625,305	\$ 10,864,405	\$ 244,296	\$ 189,850	\$ 10,869,601	\$ 11,054,255

Additional information on the City's long-term debt can be found in the notes of the financial statements.

Economic Factors

The city continues to approach budgeting revenues and expenditures conservatively and considers regional and national economic forecasts as a component in the budgeting process, along with long-term capital plans. During fiscal year 2024, sales tax revenues remained steady at an increase of 5.7% over fiscal year 2023. Building permit revenue decreased by 8.6% compared to the previous year, and the city expects slow growth for the fiscal year 2025. On August 15, 2023, the city held a truth-in-taxation hearing, and the Council subsequently approved a property tax revenue increase of 3%. Other rates and fees remained constant for the fiscal year 2024 for the General Fund. The utility rates per connection were raised to cover operational expenses: water base rate increased by 13%; sewer base rate increased by 9%.

Request for Information

This financial report is designed to provide a general overview of City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Ogden City Finance Director, 505 East 2600 North, North Ogden Utah 84414.

BASIC FINANCIAL STATEMENTS

NORTH OGDEN CITY
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Current assets:			
Cash and cash equivalents	\$ 6,248,219	\$ 6,573,660	\$ 12,821,879
Accounts receivable, net	3,233,454	855,224	4,088,678
Intergovernmental receivables	952,340	51,904	1,004,244
Investments	4,514,108	-	4,514,108
Inventory	73,968	86,154	160,122
Prepaid expenses	156,891	8,313	165,204
Total current assets	<u>15,178,980</u>	<u>7,575,255</u>	<u>22,754,235</u>
Non-current assets:			
Restricted cash and cash equivalents	9,217,536	4,061,220	13,278,756
Restricted receivables	516,015	-	516,015
Internal balances	77,484	(77,484)	-
Capital assets:			
Not being depreciated or amortized	12,404,929	5,309,177	17,714,106
Net of accumulated depreciation and amortization	<u>51,142,181</u>	<u>46,103,344</u>	<u>97,245,525</u>
Total non-current assets	<u>73,358,145</u>	<u>55,396,257</u>	<u>128,754,402</u>
Total assets	<u>88,537,125</u>	<u>62,971,512</u>	<u>151,508,637</u>
Deferred outflows of resources:			
Pensions	1,495,988	236,892	1,732,880
Total assets and deferred outflows of resources	<u>\$ 90,033,113</u>	<u>\$ 63,208,404</u>	<u>\$ 153,241,517</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Current liabilities:			
Accounts payable	\$ 1,332,505	\$ 649,727	\$ 1,982,232
Accrued liabilities	400,763	221,294	622,057
Payable from restricted assets	8,647	87,937	96,584
Accrued interest payable	42,192	-	42,192
Unearned revenue	243,222	-	243,222
Performance bonds and deposits	422,390	18,392	440,782
Compensated absences, current portion	263,826	90,358	354,184
Lease liability, current portion	70,224	-	70,224
Bonds payable, current portion	408,000	-	408,000
Total current liabilities	<u>3,191,769</u>	<u>1,067,708</u>	<u>4,259,477</u>
Non-current liabilities:			
Compensated absences, non-current portion	52,593	21,327	73,920
Lease liability, non-current portion	215,154	-	215,154
Bonds payable, non-current portion	8,272,000	-	8,272,000
Net pension liability	<u>1,343,508</u>	<u>132,611</u>	<u>1,476,119</u>
Total non-current liabilities	<u>9,883,255</u>	<u>153,938</u>	<u>10,037,193</u>
Total liabilities	<u>13,075,024</u>	<u>1,221,646</u>	<u>14,296,670</u>
Deferred inflows of resources:			
Deferred property tax revenue	3,159,189	-	3,159,189
Pensions	14,592	1,050	15,642
System agreements	<u>-</u>	<u>1,078,721</u>	<u>1,078,721</u>
Total deferred inflows of resources	<u>3,173,781</u>	<u>1,079,771</u>	<u>4,253,552</u>
NET POSITION:			
Net investment in capital assets	54,581,732	50,333,800	104,915,532
Restricted for:			
Road improvements	3,577,924	-	3,577,924
Impact fees	2,113,054	3,973,283	6,086,337
Economic development	3,789,864	-	3,789,864
Unrestricted	<u>9,721,734</u>	<u>6,599,904</u>	<u>16,321,638</u>
Total net position	<u>73,784,308</u>	<u>60,906,987</u>	<u>134,691,295</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 90,033,113</u>	<u>\$ 63,208,404</u>	<u>\$ 153,241,517</u>

The accompanying notes are an integral part of the financial statements.

**NORTH OGDEN CITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS:							
Primary government:							
Governmental activities:							
General government	\$ 1,779,780	\$ 277,768	\$ 12,000	\$ -	\$ (1,490,012)	\$ -	\$ (1,490,012)
Public safety	5,036,817	517,115	219,478	-	(4,300,224)	-	(4,300,224)
Streets and roads	1,947,874	238,248	1,057,567	1,003,095	351,036	-	351,036
Parks and recreation	2,165,395	695,313	48,037	534,001	(888,044)	-	(888,044)
Economic development	1,697	-	31	-	(1,666)	-	(1,666)
Interest on long-term debt	210,310	-	-	-	(210,310)	-	(210,310)
Total governmental activities:	11,141,873	1,728,444	1,337,113	1,537,096	(6,539,220)	-	(6,539,220)
Business-type activities:							
Water	2,999,274	2,814,193	-	2,810,274	-	2,625,193	2,625,193
Sewer	2,568,252	2,900,870	-	164,756	-	497,374	497,374
Storm water	1,248,665	1,122,544	-	360,370	-	234,249	234,249
Solid waste	1,574,349	1,440,183	-	-	-	(134,166)	(134,166)
Total business-type activities	8,390,540	8,277,790	-	3,335,400	-	3,222,650	3,222,650
Total primary government	\$ 19,532,413	\$ 10,006,234	\$ 1,337,113	\$ 4,872,496	(6,539,220)	3,222,650	(3,316,570)
General Revenues:							
Property taxes					3,866,704	-	3,866,704
Sales tax					5,079,063	-	5,079,063
Other taxes					1,309,230	-	1,309,230
Unrestricted investment earnings					1,040,001	517,955	1,557,956
Gain on sale of capital assets					168,237	200,250	368,487
Miscellaneous					84,866	-	84,866
Total general revenues					11,548,101	718,205	12,266,306
Change in net position					5,008,881	3,940,855	8,949,736
Net position - beginning					68,775,427	56,966,132	125,741,559
Net position - ending					\$ 73,784,308	\$ 60,906,987	\$ 134,691,295

The accompanying notes are an integral part of the financial statements.

**NORTH OGDEN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

		Special Revenue				Total
	General Fund	RDA/CDA Funds	Aquatic Center	Debt Service Fund	Capital Projects Funds	Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 3,504,796	\$ -	\$ 326,559	\$ 819	\$ 1,318,007	\$ 5,150,181
Receivables:						
Property taxes	2,933,090	-	-	-	-	2,933,090
Due from other governments	952,340	-	-	-	-	952,340
Other	18,385	-	77,536	-	204,443	300,364
Investments	-	-	-	-	4,514,108	4,514,108
Prepaid expenses	156,891	-	-	-	-	156,891
Restricted assets:						
Restricted cash and cash equivalents	7,779	3,788,173	-	-	5,403,620	9,199,572
Restricted receivables	192,202	228,289	-	-	95,524	516,015
TOTAL ASSETS	\$ 7,765,483	\$ 4,016,462	\$ 404,095	\$ 819	\$ 11,535,702	\$ 23,722,561
LIABILITIES:						
Accounts payable	\$ 131,539	\$ -	\$ 64,127	\$ -	\$ 1,130,311	\$ 1,325,977
Accrued liabilities	313,372	-	43,553	-	28,597	385,522
Payable from restricted assets	7,779	499	-	-	368	8,646
Customer and developer deposits	410,828	-	-	-	11,562	422,390
Unearned revenue	53,660	-	39,710	-	149,852	243,222
TOTAL LIABILITIES	917,178	499	147,390	-	1,320,690	2,385,757
DEFERRED INFLOWS OF RESOURCES:						
Deferred property tax revenue	2,933,090	226,099	-	-	-	3,159,189
FUND BALANCES:						
Nonspendable:						
Prepaid assets	156,891	-	-	-	-	156,891
Restricted for:						
Road improvements	192,202	-	-	-	3,385,722	3,577,924
Impact fees	-	-	-	-	2,113,054	2,113,054
Economic development	-	3,789,864	-	-	-	3,789,864
Committed for:						
Aquatic center	-	-	256,705	-	-	256,705
Assigned for:						
Capital projects/debt service	-	-	-	819	4,716,236	4,717,055
Unassigned	3,566,122	-	-	-	-	3,566,122
TOTAL FUND BALANCES	3,915,215	3,789,864	256,705	819	10,215,012	18,177,615
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,765,483	\$ 4,016,462	\$ 404,095	\$ 819	\$ 11,535,702	\$ 23,722,561

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balance for Governmental Funds	\$ 18,177,615
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	74,763,868
Less accumulated depreciation and amortization	(13,485,078)
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	1,435,959
Deferred inflows of resources - pensions, acquisition of net position that applies to future periods, is not reported in the fund statements.	(14,326)
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements:	
Revenue bonds payable	(8,680,000)
Interest accrued but not yet paid on long-term debt	(32,799)
Compensated absences	(305,260)
Net pension liability	(1,309,904)
Internal service funds are used by management to charge the cost of vehicle replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the statement of net position.	3,234,233
Total Net Position of Governmental Activities	<u>\$ 73,784,308</u>

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue					Total
	General Fund	RDA/CDA Funds	Aquatic Center	Debt Service Fund	Capital Projects Funds	Governmental Funds
REVENUES:						
Taxes	\$ 8,606,819	\$ 192,759	\$ -	\$ -	\$ 407,610	\$ 9,207,188
Licenses and permits	375,607	-	-	-	-	375,607
Intergovernmental revenues	1,294,528	1,047,809	-	-	454,543	2,796,880
Charges for services	439,218	-	558,006	-	157,738	1,154,962
Fines and forfeitures	197,874	-	-	-	-	197,874
Other	54,287	-	31	-	-	54,318
Impact fees	-	-	-	-	555,521	555,521
Interest	286,677	162,859	1,852	-	555,578	1,006,966
Donations	66,763	-	-	-	-	66,763
Miscellaneous revenue	19,893	-	16,170	-	29,645	65,708
Total revenues	11,341,666	1,403,427	576,059	-	2,160,635	15,481,787
EXPENDITURES:						
Current:						
General government	1,662,559	-	-	-	55,773	1,718,332
Public safety	5,319,627	-	-	-	-	5,319,627
Streets and roads	1,243,242	-	-	-	99,069	1,342,311
Parks and recreation	1,260,626	-	670,568	-	12,339	1,943,533
Economic development	-	1,696	-	-	-	1,696
Debt service:						
Principal	-	-	-	404,000	-	404,000
Interest	-	-	-	199,016	-	199,016
Capital Outlay:						
General government	-	-	-	-	272,516	272,516
Public safety	-	-	-	-	6,746,877	6,746,877
Streets and roads	-	-	-	-	18,750	18,750
Parks and recreation	-	-	-	-	1,353,657	1,353,657
Total expenditures	9,486,054	1,696	670,568	603,016	8,558,981	19,320,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,855,612	1,401,731	(94,509)	(603,016)	(6,398,346)	(3,838,528)
Other Financing Sources and (Uses):						
Transfers in	-	-	175,000	603,834	1,249,044	2,027,878
Transfers out	(1,852,878)	(175,000)	-	-	-	(2,027,878)
Total other financing sources and (uses)	(1,852,878)	(175,000)	175,000	603,834	1,249,044	-
Net Change in Fund Balances	2,734	1,226,731	80,491	818	(5,149,302)	(3,838,528)
Fund balance - beginning of year	3,912,481	2,563,133	176,214	1	15,364,314	22,016,143
Fund balance - end of year	\$ 3,915,215	\$ 3,789,864	\$ 256,705	\$ 819	\$ 10,215,012	\$ 18,177,615

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ (3,838,528)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful and reported as depreciation expense.

Capital outlays purchased	8,342,116
Capital contributed	448,536
Depreciation expense	(1,216,161)

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	138,443
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Payment of debt principal and accrued interest are expenditures in the governmental funds, but reduce the long-term liabilities in the statement of net position

Long-term debt principal repayments	404,000
Change in accrued interest	741

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Change in compensated absence liability	120,902
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An internal service fund is used by management to charge the cost of fleet management to individual funds. The net expense of the internal service is reported within the governmental activities.

Change in internal service fund	608,832
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Change in Net Position of Governmental Activities	\$ 5,008,881
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The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2024

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund		
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 2,884,452	\$ 1,895,860	\$ 1,628,073	\$ 165,275	\$ 6,573,660	\$ 1,116,002
Accounts receivable, net	266,478	271,369	184,020	133,357	855,224	-
Grant receivables	-	-	51,904	-	51,904	-
Inventories	86,154	-	-	-	86,154	73,968
Prepaid items	4,813	-	3,500	-	8,313	-
Total current assets	3,241,897	2,167,229	1,867,497	298,632	7,575,255	1,189,970
Non-current assets:						
Restricted cash and cash equivalents	626,725	913,360	2,521,135	-	4,061,220	-
Capital assets:						
Land, rights, and water stock	142,025	-	212,183	-	354,208	-
Construction in progress	4,218,869	-	736,100	-	4,954,969	-
Buildings and structures	172,949	-	-	72,476	245,425	337,565
Systems	35,765,271	15,118,932	17,176,982	-	68,061,185	-
Vehicles and equipment	2,020,920	634,138	1,537,443	1,231,945	5,424,446	4,486,218
Leased vehicles and equipment	-	-	-	-	-	427,855
Less accumulated depreciation and amortization	(15,202,304)	(4,988,371)	(6,259,189)	(1,177,848)	(27,627,712)	(2,983,320)
Total non-current assets	27,744,455	11,678,059	15,924,654	126,573	55,473,741	2,268,318
Total assets	30,986,352	13,845,288	17,792,151	425,205	63,048,996	3,458,288
DEFERRED OUTFLOWS OF RESOURCES:						
Pensions	143,246	29,988	48,044	15,614	236,892	60,029
Total assets and deferred outflows of resources	\$ 31,129,598	\$ 13,875,276	\$ 17,840,195	\$ 440,819	\$ 63,285,888	\$ 3,518,317
LIABILITIES:						
Current liabilities:						
Accounts payable	\$ 517,777	\$ 28,489	\$ 2,518	\$ 100,943	\$ 649,727	\$ 6,534
Accrued liabilities	200,758	6,575	9,678	4,283	221,294	15,241
Payable from restricted assets	-	87,937	-	-	87,937	-
Customer security deposits	8,392	-	10,000	-	18,392	-
Accrued interest	-	-	-	-	-	9,393
Compensated absences, current portion	38,093	25,443	20,924	5,898	90,358	11,159
Lease liability, current portion	-	-	-	-	-	70,224
Total current liabilities	765,020	148,444	43,120	111,124	1,067,708	112,551
Non-current liabilities:						
Compensated absences, long-term	-	-	21,327	-	21,327	-
Lease liability, long-term	-	-	-	-	-	215,154
Net pension liability	80,188	16,787	26,895	8,741	132,611	33,604
Total non-current liabilities	80,188	16,787	48,222	8,741	153,938	248,758
Total liabilities	845,208	165,231	91,342	119,865	1,221,646	361,309
DEFERRED INFLOWS OF RESOURCES:						
Pensions	635	133	213	69	1,050	266
System agreements	1,078,721	-	-	-	1,078,721	-
Total deferred inflows of resources	1,079,356	133	213	69	1,079,771	266
NET POSITION:						
Net investment in capital assets	26,039,009	10,764,699	13,403,519	126,573	50,333,800	1,982,940
Restricted for:						
Impact fees	626,725	825,423	2,521,135	-	3,973,283	-
Unrestricted	2,539,300	2,119,790	1,823,986	194,312	6,677,388	1,173,802
Total net position	29,205,034	13,709,912	17,748,640	320,885	60,984,471	3,156,742
Total liabilities, deferred inflows of resources, and net position	\$ 31,129,598	\$ 13,875,276	\$ 17,840,195	\$ 440,819		\$ 3,518,317
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time					(77,484)	
Net Position of business-type activities					\$ 60,906,987	

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund		
Operating income:						
Charges for services	\$ 2,716,233	\$ 2,895,400	\$ 1,113,397	\$ 1,409,036	\$ 8,134,066	\$ 1,397,714
Connection fees	41,176	4,200	-	-	45,376	-
Special fees	-	-	-	19,351	19,351	-
Sale of materials and supplies	-	-	-	-	-	14,354
Miscellaneous	56,784	1,270	9,147	11,796	78,997	4,805
Total operating income	2,814,193	2,900,870	1,122,544	1,440,183	8,277,790	1,416,873
Operating expenses:						
Salaries and benefits	710,940	187,748	242,180	79,129	1,219,997	310,704
Sewer fees	-	1,497,273	-	-	1,497,273	-
Materials and supplies	843,782	148,064	237,774	117,023	1,346,643	173,238
Internal service lease	52,850	32,272	50,089	10,193	145,404	-
Contract services	7,791	30,949	4,000	1,170,168	1,212,908	-
Administrative service fees	476,749	351,714	310,365	179,004	1,317,832	-
Depreciation and amortization expense	935,079	337,279	430,715	24,216	1,727,289	436,539
Total operating expenses	3,027,191	2,585,299	1,275,123	1,579,733	8,467,346	920,481
Net operating income (loss)	(212,998)	315,571	(152,579)	(139,550)	(189,556)	496,392
Non-operating income (expense):						
Grant revenue	2,340,896	-	78,457	-	2,419,353	-
Sale of fixed assets	110,732	37,181	52,337	-	200,250	168,237
Interest income	184,982	122,115	198,846	12,012	517,955	33,034
Interest on long-term debt	-	-	-	-	-	(12,035)
Total non-operating income (expense)	2,636,610	159,296	329,640	12,012	3,137,558	189,236
Income (loss) before contributions and transfers:	2,423,612	474,867	177,061	(127,538)	2,948,002	685,628
Capital contributions	113,969	106,716	157,732	-	378,417	-
Impact fees	355,409	58,040	124,181	-	537,630	-
Change in net position	2,892,990	639,623	458,974	(127,538)	3,864,049	685,628
Net position - beginning	26,312,044	13,070,289	17,289,666	448,423		2,471,114
Net position - ending	\$ 29,205,034	\$ 13,709,912	\$ 17,748,640	\$ 320,885		\$ 3,156,742
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					76,806	
Change in net position of business-type activities					\$ 3,940,855	

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund		
Cash flows from operating activities:						
Cash received from customers - service	\$ 2,766,848	\$ 2,862,779	\$ 1,047,101	\$ 1,434,877	\$ 8,111,605	\$ 19,159
Cash received from interfund services provided	-	-	-	-	-	1,444,781
Cash paid to suppliers	(1,441,803)	(1,967,924)	(557,290)	(1,477,880)	(5,444,897)	(208,898)
Cash paid to employees	(592,460)	(187,331)	(219,713)	(84,919)	(1,084,423)	(316,950)
Cash paid for interfund services	(52,850)	(32,272)	(50,089)	(10,193)	(145,404)	-
Net cash provided (used) in operating activities	679,735	675,252	220,009	(138,115)	1,436,881	938,092
Cash flows from capital and related financing activities:						
Cash from impact fees	355,409	58,040	124,181	-	537,630	-
Cash from sale of fixed assets	327,800	106,500	145,300	-	579,600	493,300
Cash from grants	-	-	78,457	-	78,457	-
Cash payments for capital assets	(3,866,296)	(398,677)	(672,872)	(42,936)	(4,980,781)	(795,385)
Cash payments for long-term debt interest	-	-	-	-	-	(2,642)
Cash payments for leases	-	-	-	-	-	(76,860)
Cash payments on system reimbursements	(33,123)	-	-	-	(33,123)	-
Cash flows provided (used) in capital and related financing activities	(3,216,210)	(234,137)	(324,934)	(42,936)	(3,818,217)	(381,587)
Cash flows from investing activities:						
Cash received from interest earned	184,982	122,115	198,846	12,012	517,955	33,034
Net cash provided (used) in investing activities	184,982	122,115	198,846	12,012	517,955	33,034
Net increase (decrease) in cash	(2,351,493)	563,230	93,921	(169,039)	(1,863,381)	589,539
Cash balance, beginning	5,862,670	2,245,990	4,055,287	334,314	12,498,261	526,463
Cash balance, ending	\$ 3,511,177	\$ 2,809,220	\$ 4,149,208	\$ 165,275	\$ 10,634,880	\$ 1,116,002
Cash reported on the statement of net position:						
Cash and cash equivalents	\$ 2,884,452	\$ 1,895,860	\$ 1,628,073	\$ 165,275	\$ 6,573,660	\$ 1,116,002
Non-current restricted cash	626,725	913,360	2,521,135	-	4,061,220	-
Total cash and cash equivalents	\$ 3,511,177	\$ 2,809,220	\$ 4,149,208	\$ 165,275	\$ 10,634,880	\$ 1,116,002
Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:						
Net operating income (expense)	\$ (212,998)	\$ 315,571	\$ (152,579)	\$ (139,550)	\$ (189,556)	\$ 496,392
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:						
Depreciation and amortization	935,079	337,279	430,715	24,216	1,727,289	436,539
Pension expense adjustment	(14,308)	(1,446)	(2,532)	(2,919)	(21,205)	(5,633)
Changes in assets and liabilities:						
(Increase) decrease in receivables- net	(48,407)	(38,091)	(85,443)	(5,306)	(177,247)	47,067
(Increase) decrease in inventory	-	-	-	-	-	(31,686)
(Increase) decrease in prepaid items	-	-	(500)	-	(500)	-
Increase (decrease) in accounts payables	(113,481)	60,076	(4,651)	(11,685)	(69,741)	(3,974)
Increase (decrease) in accrued liabilities	127,185	351	1,478	1,417	130,431	1,731
Increase (decrease) in customer deposits	1,062	-	10,090	-	11,062	-
Increase (decrease) in compensated absences	5,603	1,512	23,521	(4,288)	26,348	(2,344)
Net cash provided (used) in operating activities	\$ 679,735	\$ 675,252	\$ 220,009	\$ (138,115)	\$ 1,436,881	\$ 938,092
Noncash capital and related financing activities:						
Developer contributions	\$ 113,969	\$ 106,716	\$ 157,732	\$ -	\$ 378,417	\$ -
Intangible asset additions from lease obligations	-	-	-	-	-	68,957

The accompanying notes are an integral part of the financial statements.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of North Ogden City (the City) is presented to assist in understanding the City's financial statements. The financial statements and notes are the representation of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, as applicable to governmental organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

A. Reporting entity

North Ogden City was incorporated in 1934. The City (a municipal corporation) operates under a traditional council/mayor form of government and provides the following services as authorized by its charter: public safety, public utilities, highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

North Ogden Redevelopment Agency - The North Ogden Redevelopment Agency (RDA) is governed by the Mayor and City Council. Although it is legally separate from the City, the RDA is reported as if it were part of the primary government because its sole purpose is to redevelop areas within the City thereby generating additional property tax and sales tax. The RDA does not prepare separately issued financial statements. Financial information for the RDA may be obtained at the City Administrative Offices.

North Ogden City Downtown Community Development Project Area. The North Ogden city Redevelopment Agency Board of Directors has established the North Ogden City Downtown Project Area, also called the Community Development Area, or CDA. A plan for this area was approved. In order to promote economic development within the Project Area and to increase the property tax base within the Project Area through the development of commercial, retail, and residential spaces within the Project Area. The CDA does not prepare separately issues financial statements and is combined with the RDA in the statements of the City. Financial information for the CDA may be obtained at the City Administrative office.

B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The *statement of net position* reports the financial position of the governmental and business-type activities of the City and its discretely presented component units (if any) at year-end.

The *statement of activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

D. Fund types and major funds

Governmental funds

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *special revenue funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The City has two Special Revenue Funds. The combined RDA/CDA fund is used to provide information on the operation of the Redevelopment Agency and Community Development Project Area. The Fund receives revenues from a tax increment for property in the areas covered. The Aquatic Center is also operated as a Special Revenue Fund to show activity of the Center. Revenue is received from pool admissions and rents. The Center also receives a transfer from the RDA/CDA as a subsidy to operations.

The *debt service fund* accounts for financial resources used for debt service on the City's revenue bonds.

The *capital projects funds* account for financial resources used for the acquisition or construction of the capital facilities of the City (other than those of the enterprise funds).

Proprietary funds

The City reports the following major proprietary funds:

Enterprise funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City operates its water, sewer, storm drainage, and solid waste fund as enterprise funds. Each is considered a major proprietary fund.

Internal service funds - The internal service funds are used to provide financing of goods and services provided by one department or agency to other departments or agencies of the government, or other governments on a cost-reimbursements basis. The City maintained internal service funds for motor vehicle fleet operations. Internal service funds are reported as a single column on the enterprise fund statements and are combined with governmental activities on the government-wide statements.

E. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Deposit and Investments

Cash includes cash on hand, demand deposits with banks, and deposits in cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund (the PTIF) and other investments allowed by the State of Utah's Money Management Act.

The Utah Public Treasurer's Investment Fund operates in accordance with State laws and regulations. The reported value of the Fund is amortized cost which is approximately equal to fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers short-term, highly liquid investments with a maturity of three months or less from the purchase date to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interactivity receivable or interactivity payable". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advances between funds, as reported in hand financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Accounts receivable for services related to government activities and trade accounts receivable for business-type activities are shown net of allowance for doubtful accounts. The allowance is calculated using a percentage of total accounts receivable in conjunction with an evaluation of items over 180 days.

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

Property taxes are assessed and collected for the City by Weber County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1 and are delinquent after November 30. All dates are in the year of levy.

Restricted Assets

Certain assets are classified as restricted because their use is restricted by law or regulations.

Inventories and Prepaid items

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories consist of immaterial amounts of expendable supplies for consumption and so no inventory balance is reported.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-50 years
Water distribution system	50 years
Sewer collection system	50 years
Equipment and machinery	3-10 years
Infrastructure and other improvements	10-40 years
Wells and related structures	5-10 years
Vehicles	4-10 years

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water Rights and Stock

The City does not place a limitation on the life of the water rights, an intangible capital asset, and does not expect to cease utilizing the water rights in the foreseeable future. The water rights are recorded at historical cost and are considered to have an indefinite useful life.

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Compensated absences

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. Compensated absences are reported in governmental funds only if an employee has resigned or retired and the accrued leave has not been paid out. The accumulated vacation and compensatory time that is not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. Accumulated vacation and compensatory time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Year-end liabilities for compensated absences are accrued at the employees' current hourly rate for the maximum possible separation benefit.

Sick leave amounts are charged to expenditures when incurred. Employees may accumulate sick leave to a total of nine hundred sixty hours. Regular employees accumulated sick leave benefits at the rate of twelve days per year. The City has implemented an unused sick leave incentive to increase productivity and encourage longevity within the City. The incentive allows for converting a portion of unused sick leave to either annual leave or cash. The incentive is elected annually in December and requires employees to meet strict criteria to be eligible. Employees who retire or separate under favorable conditions are paid a portion of unused sick leave based on years of service and accumulated sick leave hours.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position/Fund Balance

Government-wide Financial Statements

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

Net investment in capital assets - Restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

Nonspendable fund balance - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

Restricted fund balance - Net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of the government or b) imposed by law through constitutional provisions or enabling legislation.

In specific, the following are restricted for the following purposes:

Impact Fees:

Restricted for Transportation Impact Fees - The City collects transportation impact fees, these fees are only expended on transportation expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are to be used for subsequent years.

Restricted for Water Impact Fees - The City collects water impact fees, these fees are to be expended only on the water system expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are to be used for the subsequent years.

Restricted for Sewer Impact Fees - The City collects sewer impact fees, these fees are to be expended only on the sewer expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are to be used for the subsequent years.

Restricted for Storm Drain Impact Fees - The City Council passed an ordinance providing for storm drain impact fees on all new construction. These fees collected are to be restricted for future storm drain expansion and improvements.

Road Improvements:

Restricted for Utility Sales Tax - The City receives additional sales tax which can only be expended on public transit and highway construction & maintenance. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

Restricted for Transportation Street Widening - The City received grants to acquire property to be used for street widening along 400 and 450 East in the City. The City is renting property acquired for the project and the net rental income as well as original grants are restricted and will be used in subsequent years for these projects.

Restricted for B&C Roads - The City receives a grant from UDOT which can only be expended on public transit and highway construction & maintenance. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

Committed fund balance - Amounts that can only be used for specific purposes established by formal action of the City Council, which is the City's highest level of decision-making authority. Fund balance commitments can only be removed or changed by the same type of action (for example resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned fund balance - Amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council or management. This category includes the remaining positive fund balances for governmental funds other than the General Fund.

Unassigned fund balance - This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in other governmental funds that may carry a negative fund balance at year-end, it may be necessary to report this as unassigned.

Proprietary fund equity is classified the same as in the government-wide statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The city reports deferred outflows of resources related to pensions and impact fee payments.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The city also reports deferred inflows of resources related to pensions as required by GASB 68. In addition, the City reports a deferred inflow of resources for two system reimbursement agreements for asset acquisition to be funded by future impact fees.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

Budgetary data

Annual budgets are prepared by the Budget Officer and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 35% of the current year's actual revenues must be appropriated within the following two years.

Once adopted, budget amendments which increase total expenditures must be approved by the City Council following a public hearing. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and investments as of June 30, 2024, consist of the following:

	Carry Value
Demand deposits - checking	\$ 1,505,849
Deposits - PTIF	24,052,327
Money Market/Commercial Paper	542,459
Total cash	\$ 26,100,635
<i>As reported in the statement of net position:</i>	
Cash and cash equivalents (current)	\$ 12,821,879
Restricted cash and cash equivalents (noncurrent)	13,278,756
Total cash and cash equivalents	\$ 26,100,635

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposit and Investment Risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Deposits

Custodial credit risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2024, \$1,262,895 of the City's bank balances of \$1,568,239 was uninsured and uncollateralized.

Investments

Fair Value of Investments

For the year ended June 30, 2024, the city had deposits (carrying value which is the amortized cost) of \$24,052,327 with the Utah Public Treasurer's Investment Fund, with the fair value of these investments being \$24,088,489, using a fair value factor of 1.00150349, which is provided by the Utah State Treasurer's office.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets
- Level 2 – Observable inputs other than quoted market prices
- Level 3 – Unobservable inputs

At June 30, 2024, the City had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Commercial Paper	\$ 520,021	\$ -	\$ 520,021	\$ -
Federal Farm Credit Bank	792,419	-	792,419	-
Federal Home Loan Bank	797,564	-	797,564	-
Federal Home Loan Mortgage Corporation	216,377	-	216,377	-
Federal National Mortgage Association	97,412	-	97,412	-
Money Market Fund	22,438	22,438	-	-
Treasury Notes	2,610,336	-	2,610,336	-
Utah State Public Treasurer's Investment Fund	24,088,489	-	24,088,489	-
Total	<u>\$ 29,145,056</u>	<u>\$ 22,438</u>	<u>\$ 29,122,618</u>	<u>\$ -</u>

Components of investments at June 30, 2024, are as follows:

	Fair Value	Carrying Amount	Moody's Credit Rating	Weighted Average Maturity
Investments:				
Commercial Paper	\$ 520,021	\$ 520,021	unrated	< 3 mos.
Federal Farm Credit Bank	792,419	792,419	Aaa	< 4 years
Federal Home Loan Bank	797,564	797,564	Aaa	< 2 years
Federal Home Loan Mortgage Corporation	216,377	216,377	Aaa	< 1 year
Federal National Mortgage Association	97,412	97,412	Aaa	< 4 years
Money Market Fund	22,438	22,438	unrated	N/A
Treasury Notes	2,610,336	2,610,336	Aaa	< 3 years
Utah State Public Treasurer's Investment Fund	24,088,489	24,052,327	unrated	< 3 mos.
Total Investments	<u>\$ 29,145,056</u>	<u>\$ 29,108,894</u>		

Interest rate risk. The risk that changes in the interest rate will have an adverse effect on the fair value of an investment. The City's policy for managing interest rate risk is to comply with the Utah Money Management Act which requires that the term to maturity of an investment may not exceed the period of availability of the funds to be invested.

Credit risk. This is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City follows the Money Management Act, which only allows for investments of the highest quality, as measured by the bond rating.

Concentration of credit risk. This is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City's policy for reducing the concentration of credit risk is to follow the Utah Money Management Councils Rules, specifically Rule 17, which limits the amount of money that can be invested in a single issuer. The City's investments are not subject to a concentration of credit risk.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk – investments. This is the risk that, in the event of the failure of the counterparty to a transaction, The City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy for managing custodial credit risk is to follow the Utah Money Management Act's list of certified investment advisors. The City's investments have no custodial credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables as of June 30, 2024 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectable accounts, are as follows:

		Special Revenue				
	General Fund	RDA/CDA Funds	Aquatic Center	Capital Projects	Enterprise Funds	Total
Customers	\$ -	\$ -	\$ -	\$ -	\$ 878,624	\$ 878,624
Property taxes	2,933,090	228,289	-	-	-	3,161,379
Due from other governments	1,144,542	-	-	95,524	51,904	1,291,970
Other receivables	18,385	-	77,536	204,443	-	300,364
Total receivables, gross	4,096,017	228,289	77,536	299,967	930,528	5,632,337
Allowance for uncollectible	-	-	-	-	23,400	23,400
Total receivables, net	\$ 4,096,017	\$ 228,289	\$ 77,536	\$ 299,967	\$ 907,128	\$ 5,608,937

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 11,469,787	\$ 347,671	\$ -	\$ 11,817,458
Construction in progress	7,420,973	8,051,977	(14,885,479)	587,471
Total capital assets, not being depreciated	18,890,760	8,399,648	(14,885,479)	12,404,929
Capital assets, being depreciated:				
Buildings	16,916,028	13,513,129	-	30,429,157
Infrastructure	24,747,686	426,100	-	25,173,786
Park improvements	3,902,580	1,337,254	-	5,239,834
Machinery and equipment	6,111,743	795,385	(567,183)	6,339,945
Leased machinery and equipment	358,898	68,957	-	427,855
Total capital assets, being depreciated	52,036,935	16,140,825	(567,183)	67,610,577
Less accumulated depreciation and amortization for:				
Buildings	6,499,161	306,076	-	6,805,237
Infrastructure	3,687,938	737,421	-	4,425,359
Park improvements	1,307,478	130,364	-	1,437,842
Machinery and equipment	3,520,689	398,322	(242,121)	3,676,890
Leased machinery and equipment	42,551	80,517	-	123,068
Total accumulated depreciation and amortization	15,057,817	1,652,700	(242,121)	16,468,396
Total capital assets being depreciated, net	36,979,118	14,488,125	(325,062)	51,142,181
Governmental activities, capital assets, net	\$ 55,869,878	\$ 22,887,773	\$ (15,210,541)	\$ 63,547,110

Capital assets in the statement of net position also include capital assets of the internal service funds of \$2,268,319 (net of accumulated depreciation).

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS (Continued)

The leased machinery and equipment amortization is presented as amortization expense on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City's intangible asset of leased vehicles and equipment, which is included in the above table. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

Depreciation and amortization expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:	
General government	\$ 121,133
Public safety	168,306
Streets and roads	1,018,854
Parks and recreation	344,407
Total	<u>\$ 1,652,700</u>

Capital asset activity for the business-type activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land, rights, and water stock	\$ 354,208	\$ -	\$ -	\$ 354,208
Construction in progress	1,395,180	3,559,789	-	4,954,969
Total capital assets, not being depreciated	<u>1,749,388</u>	<u>3,559,789</u>	<u>-</u>	<u>5,309,177</u>
Capital assets, being depreciated:				
Buildings and structures	418,425	-	(173,000)	245,425
Systems	66,849,461	1,211,724	-	68,061,185
Vehicles and equipment	5,344,152	587,683	(507,390)	5,424,445
Total capital assets, being depreciated	<u>72,612,038</u>	<u>1,799,407</u>	<u>(680,390)</u>	<u>73,731,055</u>
Less accumulated depreciation for:				
Buildings and structures	349,325	3,872	(173,000)	180,197
Systems	22,550,289	1,383,081	-	23,933,370
Vehicles and equipment	3,301,849	340,336	(128,041)	3,514,144
Total accumulated depreciation	<u>26,201,463</u>	<u>1,727,289</u>	<u>(301,041)</u>	<u>27,627,711</u>
Total capital assets being depreciated, net	<u>46,410,575</u>	<u>72,118</u>	<u>(379,349)</u>	<u>46,103,344</u>
Business-type activities, capital assets, net	<u>\$ 48,159,963</u>	<u>\$ 3,631,907</u>	<u>\$ (379,349)</u>	<u>\$ 51,412,521</u>

Depreciation expense was charged to functions/programs of the primary government business-type activities was follows:

Business-type activities:	
Water system	\$ 935,079
Sewer system	337,279
Storm water system	430,715
Solid waste	24,216
Total	<u>\$ 1,727,289</u>

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 4 – LONG-TERM DEBT

Long-term debt activity for the governmental activities was as follows:

Governmental activities:	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Revenue Bonds from Direct Placements:</i>							
Sales Tax Revenue, Series 2021	\$ 6,750,000	0.50 to 2.80	\$ 6,451,000	\$ -	\$ (300,000)	\$ 6,151,000	\$ 302,000
Sales Tax Revenue, Series 2022	2,750,000	2.30 to 4.65	2,633,000	-	(104,000)	2,529,000	106,000
<i>Other Long-term liabilities:</i>							
Lease liability			293,281	68,957	(76,860)	285,378	70,224
Net pension liability			1,047,459	296,049	-	1,343,508	-
Compensated absences			439,665	376,874	(500,120)	316,419	263,826
Total governmental activity long-term liabilities			<u>\$ 10,864,405</u>	<u>\$ 741,880</u>	<u>\$ (980,980)</u>	<u>\$ 10,625,305</u>	<u>\$ 742,050</u>
Business-type activities:			Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Other Long-term liabilities:</i>							
Net pension liability			104,513	28,098	-	132,611	-
Compensated absences			85,337	118,184	(91,836)	111,685	90,358
Total business-type activity long-term liabilities			<u>\$ 189,850</u>	<u>\$ 146,282</u>	<u>\$ (91,836)</u>	<u>\$ 244,296</u>	<u>\$ 90,358</u>

Revenue Bonds from Direct Placements

Sales Tax Revenue, Series 2021 – On December 15, 2021 the City issued \$6,750,000 in sales tax revenue bonds. The proceeds will be used to construct the City's new public safety building. The bonds carry an interest rate of 0.50% to 2.80% and will mature in fiscal year 2042. The bonds are secured by sales tax revenues.

Sales Tax Revenue, Series 2022 – On June 30, 2022 the City issued \$2,750,000 in sales tax revenue bonds. The proceeds will be used to construct the City's new public safety building. The bonds carry an interest rate of 2.30% to 4.65% and will mature in fiscal year 2042. The bonds are secured by sales tax revenues.

The annual debt service requirements to maturity for these bonds as of June 30, 2024, are as follows:

Revenue Bonds from Direct Placements			
Year	Principal	Interest	Total
2025	\$ 408,000	\$ 194,261	\$ 602,261
2026	414,000	188,938	602,938
2027	420,000	183,097	603,097
2028	426,000	176,724	602,724
2029	433,000	169,803	602,803
2030-2034	2,292,000	723,815	3,015,815
2035-2039	2,565,000	449,938	3,014,938
2040-2042	1,722,000	86,045	1,808,045
Total	<u>\$ 8,680,000</u>	<u>\$ 2,172,621</u>	<u>\$ 10,852,621</u>

NOTE 5 – LEASE OBLIGATIONS PAYABLE

\$427,855 has been recorded as intangible right to use assets in the Internal Service Funds for equipment leased under agreements that met the criteria of lease under GASB Statement No. 87. These assets will be amortized over the lease terms of three to five years since they are shorter than the useful lives and the City is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The leases will end in 2025 to 2030, with the final payments due in 2024 to 2029.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LEASE OBLIGATIONS PAYABLE (Continued)

The city entered into one lease during the year ended June 30, 2024 for a mower and recorded an intangible right to use asset and lease liability for \$68,957.

A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest	Total
2025	\$ 70,224	\$ 10,475	\$ 80,699
2026	70,285	10,413	80,698
2027	61,697	7,012	68,709
2028	40,603	4,026	44,629
2029	42,569	2,060	44,629
Total	\$ 285,378	\$ 33,986	\$ 319,364

NOTE 6 – TRANSFERS AND INTERFUND PAYABLES/RECEIVABLES

Transfers

The operating transfers between the funds were as follows:

	Transfers In	Transfers Out
<i>Governmental activities:</i>		
General Fund	\$ -	\$ 1,852,878
RDA/CDA	-	175,000
Aquatic Center	175,000	-
Capital Projects Fund	1,249,044	-
Debt Service Fund	603,834	-
	\$ 2,027,878	\$ 2,027,878

During the year ended June 30, 2024, the City made the following transfers:

- The General Fund transferred \$799,044 to the Capital Projects Fund to assist with future construction projects.
- The General Fund also transferred \$450,000 to the Capital Projects Fund to fund street projects.
- The General Fund transferred \$603,834 to the Debt Service Fund for debt service payments on the Series 2021 and Series 2022 Sales Tax Revenue Bonds.
- The RDA/CDA Fund transferred \$175,000 to the Aquatic Center for operations.

NOTE 7 – RISK MANAGEMENT

North Ogden City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; and natural disaster for which the government carries commercial insurance. Deductibles on claims are paid for out of the department experiencing the damage or loss. Liabilities are reported when it is probable that a loss has occurred and the amount for the loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2024, there were no outstanding claims or judgements against the City. Settlements did not exceed insurance coverage for each of the past three years.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 8 – REDEVELOPMENT AGENCY AND COMMUNITY DEVELOPMENT AREA

In accordance with Utah State Code, municipalities that have established Redevelopment Agencies and Community Developments entities are required to disclose certain revenues and expenditures associated with the various project areas. The revenues and expenditures associated with the projects are as follows:

	North Ogden CBD	Downtown Community Development
Revenues:		
Property tax - city portion	\$ 138,674	\$ 54,085
Tax increment - other entities	759,955	287,854
	<u>\$ 898,629</u>	<u>\$ 341,939</u>
Expenditures:		
Project expenditures	\$ 1,696	\$ -
Transfer to Aquatic Center	175,000	-
	<u>\$ 176,696</u>	<u>\$ -</u>

NOTE 9 – PENSION

General Information about the Pension Plan

Plan description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Participation in Utah Retirement Systems are comprised of the following Pension Trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost-sharing, retirement system;

Public Employees Contributory Retirement System (Contributory System) is a multi-employer, cost sharing, retirement system.

Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system;

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost-sharing public employee retirement system;

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing, public employee retirement system;

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Benefits provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 Years	30 years any age 20 years, age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years, age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years, age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years, any age 20 years, age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Contribution rates as of June 30, 2024, are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government - Tier 1 - DB System	6.00%	13.96%	-
111 Local Government - Tier 2 - DB Hybrid System	-	17.77%	0.18%
211 Local Government - Tier 2 - 401(k) Option	-	7.95%	10.00%
Noncontributory System			
15 Local Government - Tier 1 - DB System	-	17.97%	-
111 Local Government - Tier 2 - DB Hybrid System	-	16.01%	0.18%
211 Local Government - Tier 2 - 401(k) Option	-	6.19%	10.00%
Public Safety System Noncontributory			
75 Other Div A 4% COLA - Tier 1 - DB System	-	35.71%	-
122 Other Div A 4% COLA - Tier 2 - DB Hybrid System	2.59%	26.99%	-
222 Other Div A 4% COLA - Tier 2 - 401(k) Option	-	12.99%	14.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 301,641	-
Public Safety System	233,490	-
Tier 2 Public Employees System	244,319	-
Tier 2 Public Safety and Firefighter	280,233	26,904
Tier 2 DC Public Employees Plan	24,280	-
Tier 2 DC Public Safety and Firefighter	9,744	-
Total Contributions	<u>\$ 1,093,707</u>	<u>\$ 26,904</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2024, we reported a net pension asset of \$0 and a net pension liability of \$1,476,119.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 453,203	0.1953828%	0.2078820%	(0.0124992%)
Public Safety System	-	817,803	0.5718239%	0.5455320%	0.0262919%
Tier 2 Public Employees System	-	109,835	0.0564304%	0.0622543%	(0.0058239%)
Tier 2 Public Safety and Firefighter	-	95,278	0.2529340%	0.2723437%	(0.0194097%)
Total	<u>\$ -</u>	<u>\$ 1,476,119</u>			

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, we recognized pension expense of \$930,535.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 545,971	\$ 8,303
Changes in assumptions	340,147	2,042
Net difference between projected and actual earnings on pension plan investments	286,811	-
Changes in proportion and differences between contri- butions and proportionate share of contributions	39,540	5,297
Contributions subsequent to the measurement date	520,411	-
	<u>\$ 1,732,880</u>	<u>\$ 15,642</u>

\$520,411 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 366,667
2025	234,701
2026	550,036
2027	(98,246)
2028	20,256
Thereafter	123,413

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of \$323,217.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 317,338	\$ -
Changes in assumptions	135,997	-
Net difference between projected and actual earnings on pension plan investments	147,378	-
Changes in proportion and differences between contri- butions and proportionate share of contributions	2,502	-
Contributions subsequent to the measurement date	144,783	-
	<u>\$ 747,998</u>	<u>\$ -</u>

\$144,783 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 200,474
2025	187,560
2026	277,080
2027	(61,899)
2028	-
Thereafter	-

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognize pension expense of \$342,073.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 142,505	\$ -
Changes in assumptions	71,861	-
Net difference between projected and actual earnings on pension plan investments	117,060	-
Changes in proportion and differences between contri- butions and proportionate share of contributions	13,300	-
Contributions subsequent to the measurement date	97,676	-
	<u>\$ 442,402</u>	<u>\$ -</u>

\$97,676 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 146,497
2025	20,521
2026	228,632
2027	(50,924)
2028	-
Thereafter	-

**NORTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – PENSION (Continued)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognize pension expense of \$143,523.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 35,179	\$ 1,799
Changes in assumptions	62,869	87
Net difference between projected and actual earnings on pension plan investments	12,403	-
Changes in proportion and differences between contri- butions and proportionate share of contributions	13,922	2,574
Contributions subsequent to the measurement date	133,435	-
	<u>\$ 257,808</u>	<u>\$ 4,460</u>

\$133,434 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 10,433
2025	14,808
2026	25,368
2027	8,302
2028	11,172
Thereafter	49,830

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Tier 2 Public Safety and Firefighter System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognize pension expense of \$121,721

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 50,949	\$ 6,504
Changes in assumptions	69,420	1,955
Net difference between projected and actual earnings on pension plan investments	9,970	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,816	2,723
Contributions subsequent to the measurement date	144,517	-
	<u>\$ 284,672</u>	<u>\$ 11,182</u>

\$144,517 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 9,263
2025	11,813
2026	18,957
2027	6,275
2028	9,084
Thereafter	73,581

Actuarial assumptions:

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based on gender, occupation and age, as appropriate, with projected improvements using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
Inflation			2.50%
Expected arithmetic nominal return			7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate:

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

NORTH OGDEN CITY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION (Continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.0 percentage point lower (5.85 percent) or 1.0 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 2,352,100	\$ 453,203	\$ (1,136,994)
Public Safety System	2,566,039	817,803	(606,903)
Tier 2 Public Employees System	377,378	109,835	(97,644)
Tier 2 Public Safety and Firefighter	306,989	95,278	(74,095)
Total	\$ 5,602,506	\$ 1,476,119	\$ (1,915,636)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plan:

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

North Ogden City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 52,471	\$ 43,342	\$ 45,003
Employee Contributions	15,945	14,780	9,931

NOTE 10 – COMMITMENTS

At June 30, 2024, the city had two commitments with external parties to complete infrastructure projects in the capital projects fund. The city estimates the remaining commitments related to these projects was approximately \$1,300,000.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 26, 2024, the date the financial statements were available to be used.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH OGDEN CITY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules

The Budgetary Comparison Schedules presented in this section of the report are for General Fund, the RDA/CDA Special Revenue Fund, and the Aquatic Center Special Revenue Fund. The basis of budgeting is the same as GAAP.

Budgeting and Budgetary Control

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Changes in Assumptions Related to Pensions

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

NORTH OGDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 8,311,239	\$ 8,311,239	\$ 8,606,819	\$ (295,580)
Licenses and permits	444,000	344,000	375,607	(31,607)
Intergovernmental revenues	1,088,131	1,108,156	1,294,528	(186,372)
Charges for services	273,700	394,815	439,218	(44,403)
Fines and forfeitures	193,600	193,600	197,874	(4,274)
Other	37,000	12,000	54,287	(42,287)
Interest	280,000	281,000	286,677	(5,677)
Donations	30,000	76,034	66,763	9,271
Miscellaneous revenue	1,000	10,000	19,893	(9,893)
Total revenues	10,658,670	10,730,844	11,341,666	(610,822)
EXPENDITURES:				
General government:				
Legislative	114,933	98,015	97,121	894
Judicial	216,083	221,438	217,506	3,932
Recorder	150,913	150,913	145,242	5,671
Finance	222,222	192,220	181,973	10,247
Administration	312,670	312,670	296,402	16,268
Human resources	115,832	108,607	99,728	8,879
Non-departmental	424,011	457,121	438,317	18,804
General government buildings	183,773	183,773	186,270	(2,497)
Public Safety:				
Police department	4,442,429	4,543,225	4,472,381	70,844
Planning	303,263	259,040	244,928	14,112
Inspection	398,063	458,379	434,209	24,170
Animal control	174,466	174,466	168,109	6,357
Streets and Roads:				
Streets and roads	1,263,118	1,282,917	1,243,242	39,675
Parks and recreation:				
Administration	216,161	254,418	245,670	8,748
Parks	872,376	872,376	851,108	21,268
Recreation	176,673	176,673	163,848	12,825
Total expenditures	9,586,986	9,746,251	9,486,054	260,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,071,684	984,593	1,855,612	(871,019)
Other financing sources and (uses):				
Transfers out	(1,376,684)	(2,305,078)	(1,852,878)	452,200
Total other financing sources and (uses)	(1,376,684)	(2,305,078)	(1,852,878)	(452,200)
Net change in fund balances	\$ (305,000)	\$ (1,320,485)	2,734	\$ (1,323,219)
Fund balances - beginning of year			3,912,481	
Fund balances - end of year			\$ 3,915,215	

NORTH OGDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – RDA/CDA SPECIAL REVENUE FUND

For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Property tax	\$ 1,025,000	\$ 1,025,000	\$ 192,759	\$ 832,241
Property tax increment	-	-	1,047,809	(1,047,809)
Interest income	-	70,000	162,859	(92,859)
Total revenues	1,025,000	1,095,000	1,403,427	(308,427)
EXPENDITURES:				
Economic development	844,000	3,539,394	1,696	3,537,698
Total expenditures	844,000	3,539,394	1,696	3,537,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	181,000	(2,444,394)	1,401,731	(3,846,125)
Other financing sources and (uses):				
Transfers out	(175,000)	(175,000)	(175,000)	-
Total other financing sources and (uses)	(175,000)	(175,000)	(175,000)	-
Net change in fund balances	\$ 6,000	\$ (2,619,394)	1,226,731	\$ (3,846,125)
Fund balances - beginning of year			2,563,133	
Fund balances - end of year			\$ 3,789,864	

NORTH OGDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – AQUATIC CENTER SPECIAL REVENUE FUND
For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Admissions	\$ 405,000	\$ 405,000	\$ 528,672	\$ (123,672)
Concessions	15,000	15,000	18,898	(3,898)
Rentals	6,000	6,000	10,436	(4,436)
Interest	-	-	1,852	(1,852)
Miscellaneous	4,000	4,000	16,201	(12,201)
Total revenues	430,000	430,000	576,059	(146,059)
EXPENDITURES:				
Salaries and benefits	358,450	358,450	382,019	(23,569)
Materials, supplies and services	104,050	104,050	87,192	16,858
Maintenance and repairs	37,000	37,000	38,856	(1,856)
Utilities	65,500	65,500	85,319	(19,819)
Chemicals	40,000	40,000	77,182	(37,182)
Total expenditures	605,000	605,000	670,568	(65,568)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,000)	(175,000)	(94,509)	(80,491)
Other financing sources and (uses):				
Transfers in	175,000	175,000	175,000	-
Total other financing sources and (uses)	175,000	175,000	175,000	-
Net change in fund balances	\$ -	\$ -	80,491	\$ (80,491)
Fund balances - beginning of year			176,214	
Fund balances - end of year			\$ 256,705	

NORTH OGDEN CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Utah Retirement Systems
June 30, 2024 – Last 10 Measurement Dates

Measurement Date December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory System					
2023	0.1953828%	\$ 453,203	\$ 1,646,250	27.53%	96.9%
2022	0.2078820%	356,050	1,650,818	21.57%	97.5%
2021	0.2079960%	(1,191,215)	1,665,786	(71.51%)	108.7%
2020	0.1994393%	102,301	1,594,522	6.42%	99.2%
2019	0.1982006%	746,992	1,579,410	47.30%	93.7%
2018	0.1781850%	1,312,105	1,412,103	92.92%	87.0%
2017	0.1664153%	729,115	1,323,128	55.11%	91.9%
2016	0.1602462%	1,028,977	1,315,547	78.22%	87.3%
2015	0.1631476%	923,168	1,367,806	67.49%	87.8%
2014	0.1663092%	722,154	1,419,455	50.88%	90.2%
Public Safety System					
2023	0.5718239%	\$ 817,803	\$ 693,673	117.89%	93.4%
2022	0.5455320%	705,414	622,492	113.32%	93.6%
2021	0.5300250%	(424,753)	606,318	(70.05%)	104.2%
2020	0.5489677%	455,776	699,986	65.11%	95.5%
2019	0.5146921%	826,399	636,232	129.89%	90.9%
2018	0.5020646%	1,291,604	686,924	188.03%	84.7%
2017	0.4979801%	781,161	731,633	106.77%	90.2%
2016	0.4669401%	947,550	688,814	137.56%	86.5%
2015	0.4473629%	801,339	656,851	122.00%	87.1%
2014	0.4268607%	536,813	622,523	86.23%	90.5%
Tier 2 Public Employees Retirement Systems					
2023	0.0564304%	\$ 109,835	\$ 1,458,923	7.53%	89.6%
2022	0.0622543%	67,788	1,355,353	5.00%	92.3%
2021	0.0562857%	(23,822)	1,044,777	(2.28%)	103.8%
2020	0.0649270%	9,338	1,038,164	0.90%	98.3%
2019	0.0704546%	15,846	978,829	1.62%	96.5%
2018	0.0686548%	29,403	800,443	3.67%	90.8%
2017	0.0656528%	5,788	642,222	0.90%	97.4%
2016	0.0632419%	7,055	518,631	1.36%	95.1%
2015	0.0485772%	(106)	313,867	(0.03%)	100.2%
2014	0.0380994%	(1,155)	186,997	(0.62%)	103.5%
Tier 2 Public Safety and Firefighter Retirement System					
2023	0.2529340%	\$ 95,278	\$ 958,379	9.94%	89.1%
2022	0.2723437%	22,720	837,942	2.71%	96.4%
2021	0.2623869%	(13,262)	627,466	(2.11%)	102.8%
2020	0.2317115%	20,783	461,529	4.50%	93.1%
2019	0.2578145%	24,251	424,943	5.71%	89.6%
2018	0.2118440%	5,308	283,520	1.87%	95.6%
2017	0.2211418%	(2,559)	233,449	(1.10%)	103.0%
2016	0.2481679%	(2,154)	205,040	(1.05%)	103.6%
2015	0.3053124%	(4,461)	181,652	(2.46%)	110.7%
2014	0.3480897%	(5,149)	143,783	(3.58%)	120.5%

NORTH OGDEN CITY
SCHEDULE OF CONTRIBUTIONS – Utah Retirement Systems
June 30, 2024 – Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2024	\$ 301,641	\$ 301,641	-	\$ 1,684,993	17.90%
2023	293,826	293,826	-	1,635,880	17.96%
2022	295,061	295,061	-	1,610,986	18.32%
2021	287,534	287,534	-	1,630,543	17.63%
2020	281,493	281,493	-	1,618,935	17.39%
2019	262,866	262,866	-	1,511,185	17.39%
2018	230,882	230,882	-	1,333,107	17.32%
2017	235,424	235,424	-	1,330,504	17.69%
2016	233,522	233,522	-	1,330,911	17.55%
2015	245,610	245,610	-	1,391,385	17.65%
Public Safety System					
2024	\$ 233,490	\$ 233,490	-	\$ 664,005	35.16%
2023	236,018	236,018	-	660,929	35.71%
2022	206,376	206,376	-	577,923	35.71%
2021	236,539	236,539	-	662,389	35.71%
2020	238,038	238,038	-	666,586	35.71%
2019	225,924	225,924	-	641,979	35.19%
2018	237,534	237,534	-	728,521	32.60%
2017	226,756	226,756	-	715,974	31.67%
2016	206,900	206,900	-	655,343	31.57%
2015	204,537	204,537	-	644,757	31.72%
Tier 2 Public Employees System*					
2024	\$ 244,319	\$ 244,319	-	\$ 1,534,887	15.92%
2023	231,879	231,879	-	1,450,672	15.98%
2022	182,987	182,987	-	1,140,309	16.05%
2021	162,726	162,726	-	1,032,006	15.77%
2020	164,079	164,079	-	1,047,757	15.66%
2019	137,724	137,724	-	887,129	15.52%
2018	107,562	107,562	-	711,861	15.11%
2017	88,842	88,842	-	596,662	14.89%
2016	57,781	57,781	-	388,167	14.89%
2015	36,188	36,188	-	242,222	14.94%
Tier 2 Public Safety and Firefighter System					
2024	\$ 280,233	\$ 280,233	-	\$ 1,039,287	26.96%
2023	237,056	237,056	-	878,311	26.99%
2022	204,296	204,296	-	756,930	26.99%
2021	136,022	136,022	-	504,307	26.97%
2020	108,792	108,792	-	448,915	24.23%
2019	84,912	84,912	-	350,390	24.23%
2018	60,905	60,905	-	256,659	23.73%
2017	54,393	54,393	-	229,895	23.66%
2016	42,978	42,978	-	181,644	23.66%
2015	38,270	38,270	-	161,406	23.71%
Tier 2 Public Employees DC Only system*					
2024	\$ 24,280	\$ 24,280	-	\$ 392,247	6.19%
2023	19,706	19,706	-	320,008	6.16%
2022	24,997	24,997	-	373,656	6.69%
2021	21,709	21,709	-	324,496	6.69%
2020	18,656	18,656	-	278,860	6.69%
2019	16,429	16,429	-	245,574	6.69%
2018	10,480	10,480	-	156,650	6.69%
2017	8,482	8,482	-	126,787	6.69%
2016	8,242	8,242	-	123,199	6.69%
2015	6,563	6,563	-	97,671	6.72%
Tier 2 Public Safety and Firefighter DC Only System*					
2024	\$ 9,744	\$ 9,744	-	\$ 75,012	12.99%
2023	8,060	8,060	-	62,047	12.99%
2022	1,087	1,087	-	8,364	12.99%
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011.

SUPPLEMENTARY INFORMATION

NORTH OGDEN CITY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 2024

	Capital Projects Fund	Transportation Utility Fund	Transportation Impact Fee Fund	Transportation Sales Tax Fund	400/450 Improvement Fund	Total Capital Project Funds
ASSETS:						
Cash and cash equivalents	\$ 1,300,043	\$ -	\$ -	\$ -	\$ 17,964	\$ 1,318,007
Receivables:						
Accounts	-	-	-	-	18,295	18,295
Other receivables	186,148	-	-	-	-	186,148
Investments	4,514,108	-	-	-	-	4,514,108
Restricted assets:						
Restricted cash and cash equivalents	-	847,988	2,113,054	1,756,561	686,017	5,403,620
Restricted receivables	-	-	-	67,578	27,946	95,524
TOTAL ASSETS	\$ 6,000,299	\$ 847,988	\$ 2,113,054	\$ 1,824,139	\$ 750,222	\$ 11,535,702
LIABILITIES:						
Accounts payable	\$ 1,130,311	\$ -	\$ -	\$ -	\$ -	\$ 1,130,311
Accrued liabilities	28,597	-	-	-	-	28,597
Payable from restricted assets	-	-	-	-	368	368
Customer/Developer deposits	-	-	-	-	11,562	11,562
Unearned revenue	143,450	-	-	-	6,402	149,852
TOTAL LIABILITIES	1,302,358	-	-	-	18,332	1,320,690
FUND BALANCES:						
Restricted:						
Road improvements	-	847,988	-	1,824,139	713,595	3,385,722
Impact fees	-	-	2,113,054	-	-	2,113,054
Assigned for:						
Capital projects	4,697,941	-	-	-	18,295	4,716,236
TOTAL FUND BALANCES	4,697,941	847,988	2,113,054	1,824,139	731,890	10,215,012
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,000,299	\$ 847,988	\$ 2,113,054	\$ 1,824,139	\$ 750,222	\$ 11,535,702

NORTH OGDEN CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2024

	Capital Projects Fund	Transportation Utility Fund	Transportation Impact Fee Fund	Transportation Sales Tax Fund	400/450 Improvement Fund	Total Capital Project Funds
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 407,610	\$ -	\$ 407,610
Intergovernmental revenues	454,543	-	-	-	-	454,543
Charges for services	-	-	-	-	157,738	157,738
Impact fees	265,486	-	290,035	-	-	555,521
Interest	321,860	39,234	91,555	72,213	30,716	555,578
Miscellaneous revenue	29,645	-	-	-	-	29,645
Total revenues	1,071,534	39,234	381,590	479,823	188,454	2,160,635
EXPENDITURES:						
Current:						
General government	55,303	470	-	-	-	55,773
Streets and roads	42,340	-	-	-	56,729	99,069
Parks and recreation	12,339	-	-	-	-	12,339
Capital Outlay						
General government	272,516	-	-	-	-	272,516
Public safety	6,746,877	-	-	-	-	6,746,877
Streets and roads	18,750	-	-	-	-	18,750
Parks and recreation	1,353,657	-	-	-	-	1,353,657
Total expenditures	8,501,782	470	-	-	56,729	8,558,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,430,248)	38,764	381,590	479,823	131,725	(6,398,346)
Other Financing Sources and (Uses):						
Transfers in	1,249,044	-	-	-	-	1,249,044
Total other financing sources and (uses)	1,249,044	-	-	-	-	1,249,044
Net Change in Fund Balances	(6,181,204)	38,764	381,590	479,823	131,725	(5,149,302)
Fund balances - beginning of year	10,879,145	809,224	1,731,464	1,344,316	600,165	15,364,314
Fund balances - end of year	\$ 4,697,941	\$ 847,988	\$ 2,113,054	\$ 1,824,139	\$ 731,890	\$ 10,215,012

NORTH OGDEN CITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

	Motor Pool Fund	Police Motor Pool Fund	Total Internal Service Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 534,226	\$ 581,776	\$ 1,116,002
Accounts receivable	-	-	-
Inventories	73,968	-	73,968
Total current assets	608,194	581,776	1,189,970
Non-current assets:			
Capital assets:			
Buildings and structures	337,565	-	337,565
Vehicles and equipment	3,221,507	1,264,711	4,486,218
Leased vehicles and equipment	427,855	-	427,855
Less: accumulated depreciation and amortization	(2,200,743)	(782,577)	(2,983,320)
Total non-current assets	1,786,184	482,134	2,268,318
Total assets	2,394,378	1,063,910	3,458,288
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	60,029	-	60,029
Total assets and deferred outflows of resources	\$ 2,454,407	\$ 1,063,910	\$ 3,518,317
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 5,166	\$ 1,368	\$ 6,534
Accrued liabilities	15,241	-	15,241
Accrued interest	9,393	-	9,393
Compensated absences	11,159	-	11,159
Lease liability, current portion	70,224	-	70,224
Total current liabilities	111,183	1,368	112,551
Non-current liabilities:			
Lease liability, long-term	215,154	-	215,154
Net pension liability	33,604	-	33,604
Total non-current liabilities	248,758	-	248,758
Total liabilities	359,941	1,368	361,309
DEFERRED INFLOWS OF RESOURCES:			
Pensions	266	-	266
Total liabilities and deferred inflows of resources	360,207	1,368	361,575
NET POSITION:			
Net investment in capital assets	1,500,806	482,134	1,982,940
Unrestricted	593,394	580,408	1,173,802
Total net position	2,094,200	1,062,542	3,156,742
Total liabilities, deferred inflows of resources, and net position	\$ 2,454,407	\$ 1,063,910	\$ 3,518,317

NORTH OGDEN CITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

	Motor Pool Fund	Police Motor Pool Fund	Total Internal Service Funds
Operating income:			
Charges for services	\$ 769,766	\$ 627,948	\$ 1,397,714
Sale of materials and supplies	1,037	13,317	14,354
Miscellaneous	4,805	-	4,805
Total operating income	775,608	641,265	1,416,873
Operating expenses:			
Salaries and benefits	310,704	-	310,704
Materials and Supplies	70,602	102,636	173,238
Depreciation expense	278,108	158,431	436,539
Total operating expenses	659,414	261,067	920,481
Net operating income (loss)	116,194	380,198	496,392
Non-operating income (expense):			
Sale of fixed assets	92,309	75,928	168,237
Interest income	14,987	18,047	33,034
Interest on long-term debt	(12,035)	-	(12,035)
Total non-operating income (expense)	95,261	93,975	189,236
Income (loss) before transfers:	211,455	474,173	685,628
Transfers in	114,568	-	114,568
Transfers out	-	(114,568)	(114,568)
Change in net position	326,023	359,605	685,628
Net position - beginning	1,768,177	702,937	2,471,114
Net position - ending	\$ 2,094,200	\$ 1,062,542	\$ 3,156,742

NORTH OGDEN CITY
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

	Motor Pool Fund	Police Motor Pool Fund	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers - service	\$ 5,842	\$ 13,317	\$ 19,159
Cash received from interfund services provided	816,833	627,948	1,444,781
Cash paid to suppliers	(100,005)	(108,893)	(208,898)
Cash paid to employees	(316,950)	-	(316,950)
Net cash provided (used) in operating activities	405,720	532,372	938,092
Cash flows from noncapital financing activities:			
Interfund balances - transfer in/(out)	114,568	(114,568)	-
Net cash provided (used) in noncapital financing activities	114,568	(114,568)	-
Cash flows from capital and related financing activities:			
Cash from sale of fixed assets	407,800	85,500	493,300
Cash payments for capital assets	(506,788)	(288,597)	(795,385)
Cash payments for long-term debt interest	(2,642)	-	(2,642)
Cash payments for leases	(76,860)	-	(76,860)
Net cash provided (used) in capital and related financing activities	(178,490)	(203,097)	(381,587)
Cash flows from investing activities:			
Cash received from interest earned	14,987	18,047	33,034
Net cash provided (used) in investing activities	14,987	18,047	33,034
Net increase (decrease) in cash	356,785	232,754	589,539
Cash balance, beginning	177,441	349,022	526,463
Cash balance, ending	\$ 534,226	\$ 581,776	\$ 1,116,002
Cash reported on the statement of net position:			
Cash and cash equivalents	\$ 534,226	\$ 581,776	\$ 1,116,002
Total cash and cash equivalents	\$ 534,226	\$ 581,776	\$ 1,116,002
Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:			
Net operating income (expense)	\$ 116,194	\$ 380,198	\$ 496,392
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	278,108	158,431	436,539
Pension expense adjustment	(5,633)	-	(5,633)
Changes in assets and liabilities:			
(Increase) decrease in inventory	(31,686)	-	(31,686)
(Increase) decrease in receivables	47,067	-	47,067
Increase (decrease) in accounts payables	2,283	(6,257)	(3,974)
Increase (decrease) in accrued liabilities	1,731	-	1,731
Increase (decrease) in compensated absences	(2,344)	-	(2,344)
Net cash provided (used) in operating activities	\$ 405,720	\$ 532,372	\$ 938,092
Noncash capital and related financing activities:			
Intangible asset additions from lease obligations	\$ 68,957	\$ -	\$ 68,957

COMPLIANCE SECTION



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
North Ogden City
North Ogden, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Ogden City (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 26, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Ogden City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 26, 2024



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council

North Ogden City
North Ogden, Utah

Report on Compliance for Each Major Federal Program

We have audited North Ogden City's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, North Ogden City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 26, 2024 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Gilbert & Stewart

GILBERT & STEWART, CPA's
Provo, Utah
December 26, 2024

NORTH OGDEN CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

<u>Grant Name</u>	<u>Assistance Listing Number</u>	<u>Direct or Pass-through Grantor's Contract</u>	<u>Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
<u>US DEPARTMENT OF JUSTICE</u>				
Passed through from Utah Office for Victims of Crime Victims of Crime Act Grant	16.575	20VOC\023	\$ 30,193	\$ -
Total – Department of Justice			<u>\$ 30,193</u>	<u>\$ -</u>
<u>US DEPARTMENT OF TREASURY</u>				
Passed through from State of Utah COVID-19 - American Rescue Plan Act (ARPA)	21.027	None	2,340,896	\$ -
Total – Department of Treasury			<u>\$ 2,340,896</u>	<u>\$ -</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 2,371,089</u></u>	<u><u>\$ -</u></u>

NORTH OGDEN CITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of North Ogden City under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the City expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of Federal funds are made, revenue is recognized. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

North Ogden City does not use the 10% de minimis cost rate as allowed under Uniform Guidance

NOTE C - ACCOUNTS RECEIVABLE

The financial statements include accounts receivable from Federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect Federal awards that have been expended by yearend and not yet reimbursed.

NORTH OGDEN CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. No instances of noncompliance material to the basic financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No significant deficiencies in internal control over the major federal award programs were reported in this schedule.
4. The auditor's report on compliance for the major federal award program for North Ogden City expressed an unmodified opinion on the major federal program.
5. There are no audit findings that are required to be reported in accordance with 2CFR Section 200.516(a).
6. The following programs was tested as a major program:
Cares Act Coronavirus Relief Fund Grant, CFDA# 21.027.
7. The threshold for distinguishing Types A and B programs was \$750,000.
8. North Ogden City does not qualify as a low-risk auditee.

FINDINGS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

FINDINGS—FINANCIAL STATEMENT AUDIT

None

FINDINGS—PRIOR YEAR AUDIT

None



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Honorable Mayor and Members of the City Council
North Ogden City
North Ogden, Utah

Report On Compliance

We have audited the North Ogden City's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Justice Court
Restricted Taxes and Related Revenues
Government Fees
Cash Management
Open and Public Meeting Act
Utah Retirement Systems

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

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Opinion on Compliance

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Guide and which are described in our letter to management dated December 26, 2024 as item 2024-1. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on North Ogden City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and recommendations. The Town of Fairfield's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

December 26, 2024



GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

Honorable Mayor and City Council
And those charged with Governance of the City
North Ogden City
North Ogden, UT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 2, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Ogden City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting North Ogden City's financial statements was:

Management's estimate of the useful lives of depreciable assets, and the applicable depreciation amounts are based on estimated usefulness of the assets in question and the related wear and tear of those assets. We evaluated the key factors and assumptions used to develop these amounts in determining that they were reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Utah State Legal Compliance Findings – Current Year

24-1 Budgetary Compliance

Finding: State law requires the City's total expenditure by fund or department do not exceed the amounts appropriated in the final adopted budget. We noted that the Aquatic Center Special Revenue Fund total expenditures exceeded the budgeted amount by \$65,658

City's Response: We agree with the finding and will make the necessary budget adjustments to comply with state law.

Utah State Legal Compliance Findings – Prior Year

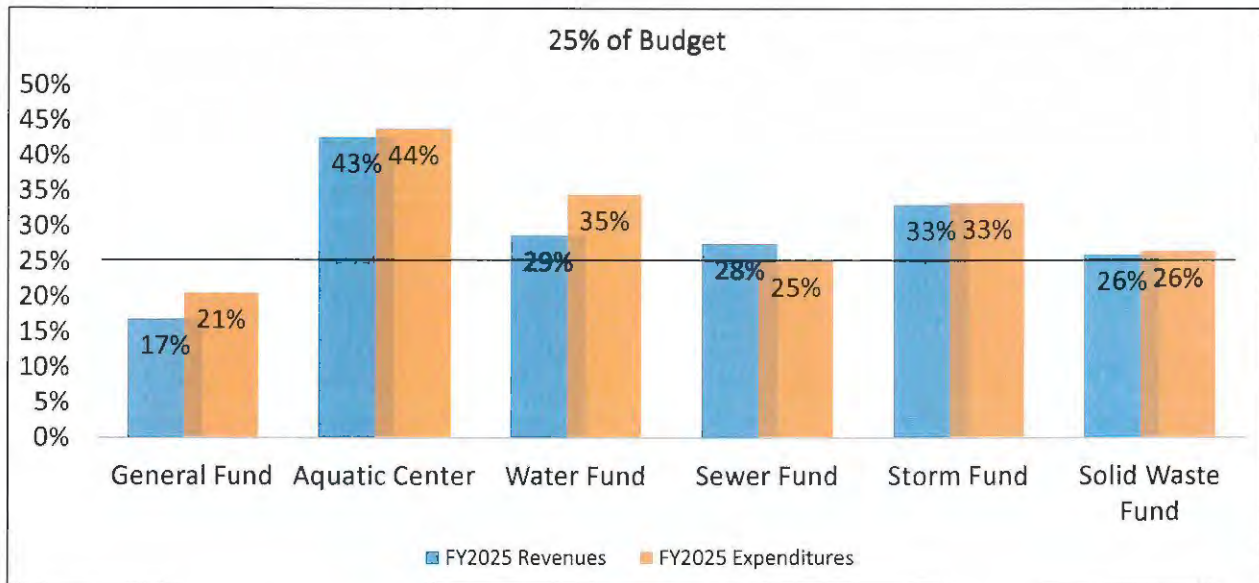
- No Findings

This information is intended solely for the use of the City Council and management of North Ogden City and is not intended to be and should not be used by anyone other than these specified parties.

Gilbert & Stewart

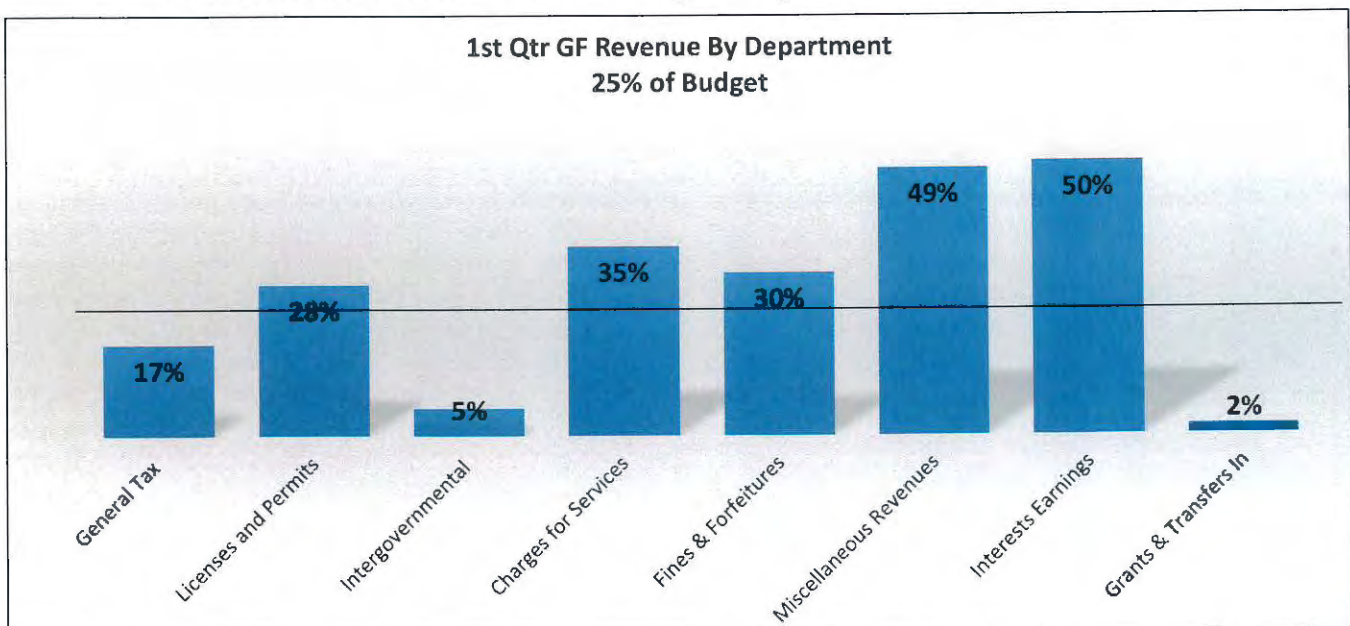
GILBERT & STEWART
Certified Public Accountants
Provo, Utah
December 26, 2024

FY 2024-2025 1st Quarter Review



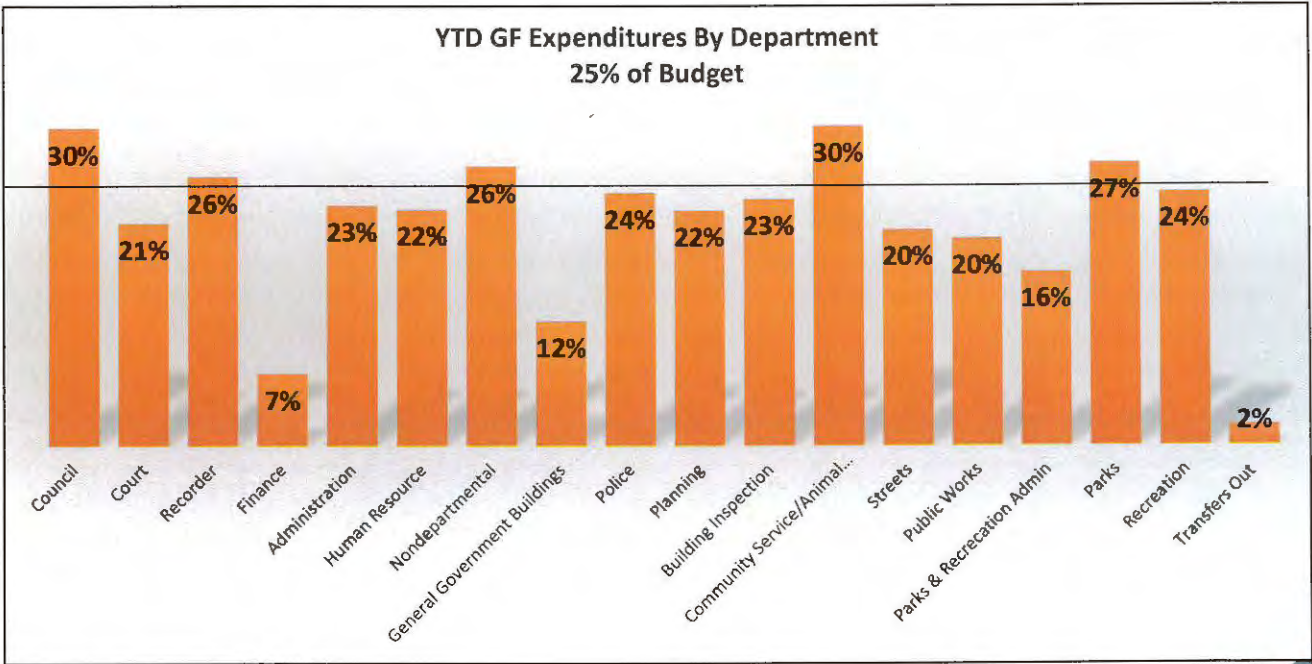
July 2024 - Sept 2024

General Fund Revenues by Department



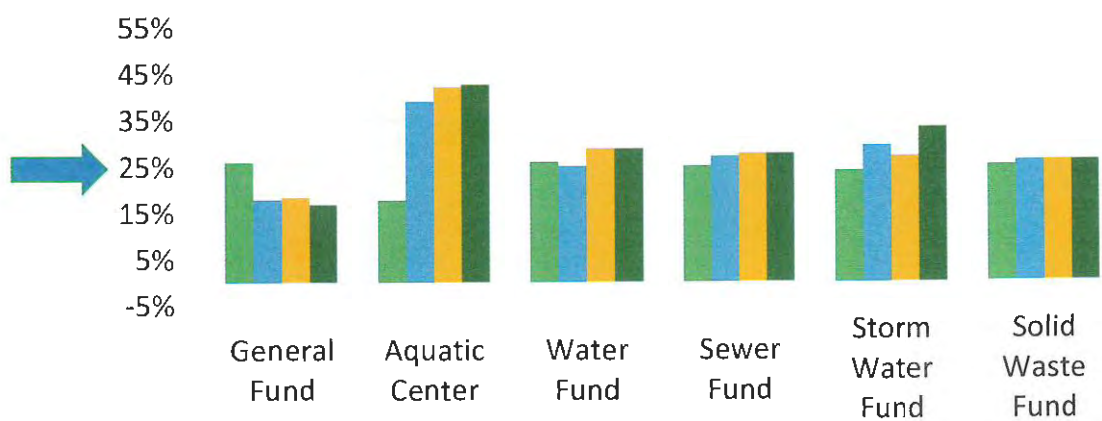
July 2024 - Sept 2024

General Fund Expenditures by Department



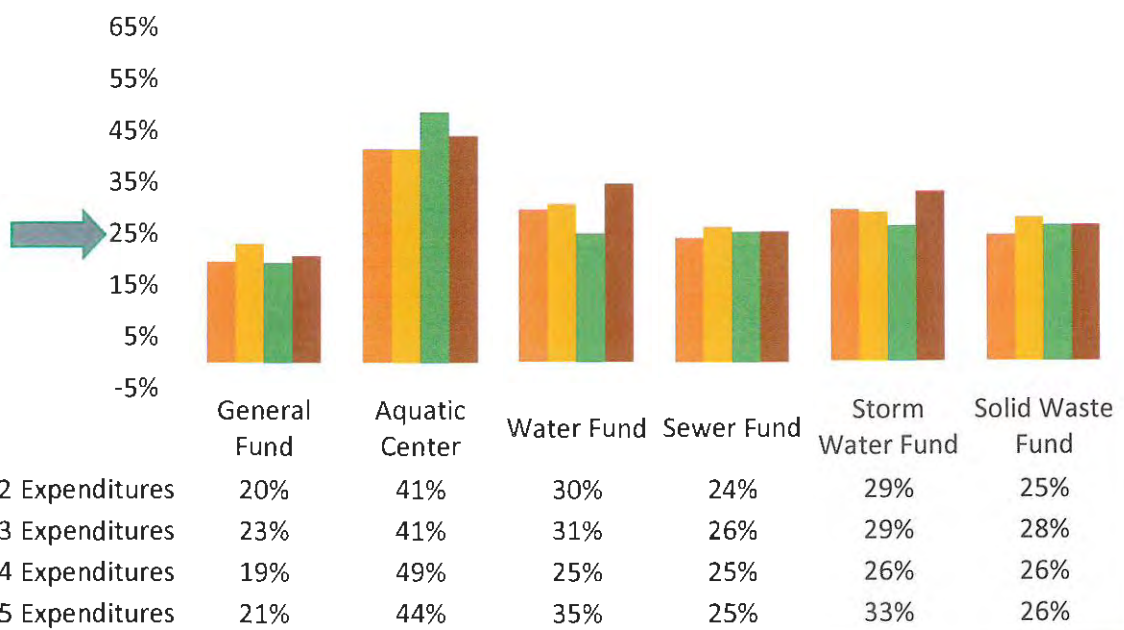
July 2024 - Sept 2024

1st Qtr Revenue Comparison

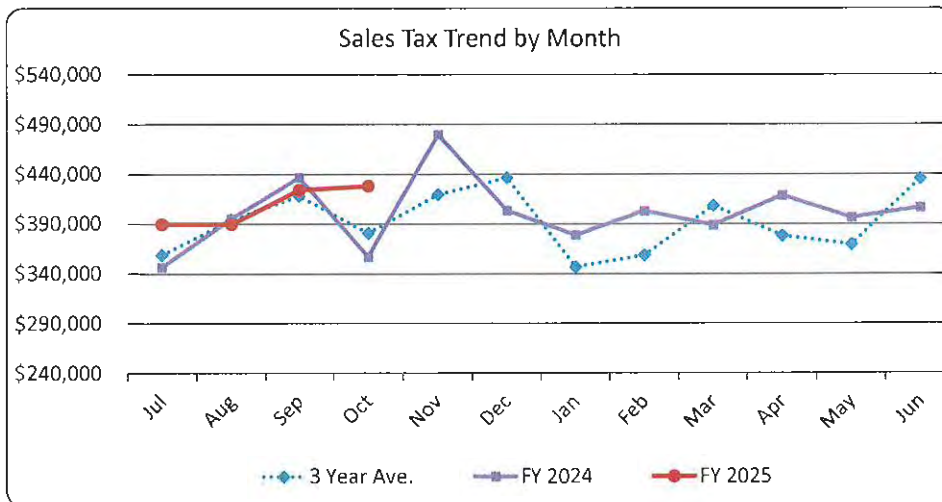


	General Fund	Aquatic Center	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund
FY 21-22 Revenues	26%	18%	26%	25%	24%	25%
FY 22-23 Revenues	18%	39%	25%	27%	29%	26%
FY 23-24 Revenues	18%	42%	29%	28%	27%	26%
FY 24-25 Revenues	17%	43%	29%	28%	33%	26%

1st Qtr Expenditure Comparison



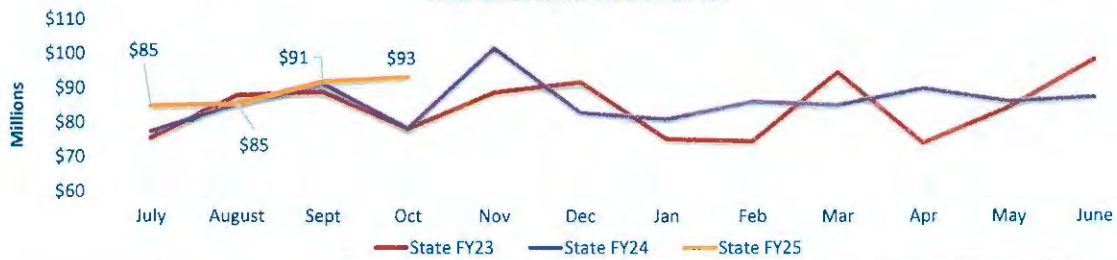
Sales Tax as of Oct 2024



YTD Total Receipts	\$1,630,063
Projected Budget	<u>\$1,532,160</u>
Variance	\$97,903 or 6.20%

More on Sales Tax

Total State Generated Sales Tax



Total City Generated Sales Tax



City Percentage by Month

